CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

National income and expenditure in the first quarter of 1979

Research and development: expenditure and employment

Capital gains: a survey of holding periods

No 309
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Release dates of economic statistics to be published in August 1979

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in August. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

Publication date	Series	Method release	Source
August *1979*			
Thurs 2	UK official reserves (July)	PN	HM Treasury
	Capital issues and redemtions (during the monh of July)	PN	Bank of England
Fri 3	Car and commercial vehicle production (June – final)	T and I	D of of Industry
Mon 6	Retail sales (June – final)	PN	D of Trade
	Wholesale price index numbers (July – provisional)	PN	D of Industry
	Building society house prices and mortgage statistics (2nd quarter)	PN	D of the Environment
	Hire purchase and other instalment credit business (June)	PN	D of Trade
Tues 7	London clearing banks' monthly statement (mid–July)	PN	CLCB
	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-July)	PN	Bank of England
Thurs 9	Central government transactions (including borrowing requirement) (July)	PN	HM Treasury
	Provisional figures of vehicle production (July)	PN	D of Industry
Fri 10	Usable steel production (July)	PN	BSC/BISPA
	House renovations – work completed (2nd quarter)	PN	D of the Environment
	Slum clearance (2nd quarter)	PN	D of the Environment
	Housing starts and completions (June)	PN	D of the Environment
	Building societies' receipts and loans (July)	PN	BSA
Mon 13	Index of industrial production (June – provisional)	PN	CSO
	Retail sales (July – provisional)	PN	D of Trade
	Turnover of the catering trades (2nd quarter)	PN	D of Trade
Tues 14	Balance of payments current account and overseas trade figures (July)	PN	D of Trade/CSO
Wed 15	Basic rates of wages and normal weekly hours (July)	PN	D of Employment
	Monthly index of average earnings (June)	PN	D of Employment
	Cyclical indicators for the UK economy (July)	PN	CSO
Thurs 16	Consumers' expenditure (2nd quarter – 2nd preliminary estimate)	PN	CSO
	UK banks' assets and liabilities and the money stock (mid–July)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-July)	PN	Bank of England
	Building societies mortgage survey, 5 per cent sample survey results (2nd quarter)	PN	D of the Environment
Fri 17	Retail prices index (July)	PN	D of Employment
	Preliminary estimate of gross domestic product based on output data (2nd quarter)	PN	CSO
Sun 19	Department for National Savings monthly progress report (July)	PN	D for National Savings
Mon 20	Turnover of the motor trades (2nd quarter)	PN	D of Industry
	Construction – new orders (June)	PN	D of the Environment
	CBI Monthly Trends Inquiry (July)	PN	CBI
Tues 21	Unemployment (August – provisional)	PN	D of Employment
	Unfilled vacancies (August – provisional)	PN	D of Employment
Thurs 23	Public sector borrowing requirement and details of local authority borrowing (2nd quarter)	PN	CSO
	Capital expenditure by the manufacturing, distributive and service industries (2nd quarter – provisional)	PN	D of Industry
	Manufacturers' and distributors' stocks (2nd quarter – provisonal)	PN	D of Industry
	Bricks and cement production (July)	PN	D of the Environment
	New vehicle registrations (July)	PN	D of Transport
Fri 24	Sales and orders in the engineering industries (May)	T and I	D of Industry
	Finished steel consumption and stock changes (2nd quarter – provisional)	T and I	D of Industry
Thurs 30	Unemployment (July – final)	Gazette	D of Employment
	Employment in the production industries (June)	Gazette	D of Employment
	Overime and short-time working in manufacturing industries (June)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (July)	Gazette	D of Employment
	Energy Trends	PN	D of Energy
Fri 31	Car and commercial vehicle production (July – final)	T and I	D of Indusrty

PN—*Press Notice* T and I—*Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 309
July 1979

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Government Statistical Service

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The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 6135 6193.

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Introduction

Economic Trends brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.
- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.
- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology. The regular 'Round-up' feature contains notes on relevant articles appearing in other publications, news of developments in economic statistics and brief synopses of any new publications.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 20 July. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

Symbols used:

..	not available or not meaningful
–	nil or less than half the final digit shown
§	series for which measures of variability are given on page 70
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

The Editor would welcome readers' suggestions for improvements to *Economic Trends*.

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Latest developments in the economy[1]

Data available at 24 July 1979

Output

Latest estimates of the index of industrial production suggest that there was a further small rise in industrial output in May, but during the first five months of 1979 taken together the underlying level of industrial output was much the same as it was in the summer of 1978.

Steel production in June was nearly 4 per cent up on May and 9·8 per cent higher than in June last year. The increased level of activity recorded in recent months reflects a healthy short term order position following the effects of transport difficulties and the bad weather last winter.

Car production in June recovered from the low May level, but in the three months ending June was about 4 per cent lower than in the preceding three months.

Housebuilding

Housing starts in Great Britain in the three months March to May were 5 per cent down on the previous three months and 26 per cent lower than in March to May 1978. Total completions in March to May were 7 per cent less than in the preceding three months and 22 per cent lower than a year earlier.

Consumers' expenditure

Preliminary estimates indicate that the volume of consumers' expenditure in the second quarter was some 3½ per cent higher than in the first. Apart from a sharp fall in expenditure on fuel and light, there were general increases in expenditure in other areas, particularly on durable goods, motor vehicles and on alcoholic drink.

Provisional estimates suggest that the index of the volume of retail sales showed a marked increase to 121 in June from 113·5 in May. This estimate is subject to a greater margin of uncertainty than is usual, but it appears to reflect the greatly increased level of sales by non-food shops in anticipation of an increase in VAT.

Unemployment and vacancies

The number of unemployed in the United Kingdom (excluding school leavers) was unchanged in July at 1,278,700.

Vacancies notified to employment offices fell by 9,400 in July to 253,000.

Earnings and wage rates

Average earnings of all employees in Great Britain increased by 13·2 per cent between May 1978 and May 1979. This estimate is based on the monthly index for the whole economy which is not seasonally adjusted. The older series index, which is seasonally adjusted and covers the production industries and some services, rose by 1·2 per cent between April and May.

The index of basic weekly wage rates (not seasonally adjusted) rose during June and was 11·3 per cent higher than in June 1978. This index takes account of changes only in nationally negotiated rates and the absence of a national settlement for engineering workers for 1979 is reflected in the year-on-year change.

Prices (not seasonally adjusted)

The index of retail prices in June was 219·6 (January 1974 = 100). This represents an increase of 1·7 on May 1979 and of 11·4 per cent on June 1978.

The provisional wholesale price index for home sales of manufactured products rose by 1·7 per cent in June. Significant price increases were recorded for petroleum products and for milk. The increase in the index for all manufactured products over a twelve-month period rose from 10·5 per cent in May to 11·7 per cent in June.

The price index for materials and fuel purchased by manufacturing industry rose by 0·6 per cent in June. This index was 10·3 per cent higher than in June 1978.

Trade and balance of payments

Distortions to the overseas trade figures caused by various industrial disputes appear to have worked themselves out by June as far as recorded exports are concerned except insofar as there has been any permanent loss as a result of the road haulage dispute. Imports in the first six months of this year, however, are thought to be understated by about £900 million.

In comparison with the second half of 1978 total exports at a monthly average of £3,147 million were about 3½ per cent higher by value; in terms of volume, there was a fall of 2 per cent. Recorded imports averaged £3,437 million a month in the first half of 1979 but the actual level was probably around £3,600 million. This represents an erratically large increase – of the order of 15 per cent (about three-quarters of which is volume) – on the second half of last year.

The recorded deficit on current account in the first half of 1979 was about £1 billion with a deficit of around £1·7 billion on visible trade being partly offset by an estimated surplus on invisibles of some £0·7 billion. If allowance is made for the disruption to the flow of import documents, the actual recorded current account deficit was probably around £1·9 billion.

Money stock

During the five weeks ending 20 June, the broader version of money stock (sterling M_3) rose by £580 million or 1·1 per cent. The narrower version (M_1) fell by £180 million or 0·7 per cent; the fall was concentrated in interest-bearing deposits.

Domestic credit expansion in the banking month was £820 million. There was again a strong rise in bank lending

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

in sterling to the private sector of £940 million after allowing for a reduction of £290 million in holdings of commercial bills by the Bank of England Issue Department. The central government borrowing requirement was high at £1,300 million; the rest of the public sector added a further £100 million. This requirement was financed by sales of central government debt to the non-bank private sector of £1,450 million.

Economic events

June

19 Sheikh Yamani, the Oil Minister of Saudi Arabia, warned that a world oil crisis was inevitable if demand by the oil-consuming nations was not reduced.

21 Leaders of the nine nations of the European Community met in Strasbourg for two days of talks.
EEC Ministers of Agriculture agreed on a 1·5 per cent increase in prices for all farm products except milk, and a further 5 per cent devaluation of the 'green pound' (in addition to the 5 per cent devaluation which took place in April). The agreement was expected to add about 1 per cent to food prices in Britain.
The Finance Bill was published.

22 The Strasbourg EEC summit agreed to instruct the European Commission to make an analysis of the problems created for the United Kingdom and Italy by the growing size of their net contributions to the Community budget; and that a joint energy strategy was necessary to prevent a world economic crisis.
The Chief Secretary to the Treasury announced that Britain would participate in the short-term central bank currency swap facilities of the European Monetary System (EMS). One fifth of the gold and dollar content of the UK reserves would be deposited with the European Monetary Cooperation Fund in return for an issue of European Currency Units (ECUs).

26 The Government published revised cash limits on public expenditure for 1979–80 (to be published by HMSO as Cmnd 7604).

28 Representatives of the OPEC countries, meeting in Geneva, decided on an increase in oil prices of an average of 15 per cent over current levels. It was expected to put 10p on the price of a gallon of petrol in Britain.

29 The heads of government of Canada, Germany, France, Italy, Japan, United States and United Kingdom attended an economic summit meeting in Tokyo. The final communique set out a common strategy to combat the oil crisis, the threat of rising world inflation and lower economic growth. A limit on oil imports was agreed for each of the seven nations.
The Department of Energy told oil companies that it will take its 12·5 per cent royalties on North Sea production in crude oil, rather than in cash, from the beginning of 1980.

July

5 The use of sterling to finance third country trade, which had been withdrawn in 1976, was restored to UK resident merchants (but not to banks). This was part of the relaxation of exchange controls announced by the Chancellor of the Exchequer on 12 June.

9 The Department of Employment published discussion papers on trade union reforms which would lead to legislation in the autumn of 1979.

10 The annual 'Brown Book' – 'the development of the oil and gas resources of the United Kingdom 1979' was published by the Department of Energy.

11 The House of Commons approved an immediate pay increase of 35 per cent for Members of Parliament as part of a three-stage agreement to raise their salaries to £12,000 over the next two years.

12 Most PAYE taxpayers will receive tax rebates, backdated to 6 April, on the first pay-day after 12 July, as a result of the increases in personal tax allowances announced in the Budget.
The Competition Bill was published.

13 The Building Society mortgage interest rate will increase from 11¾ per cent to 12½ per cent from 1 January 1980. The interest rate for investors will be raised to 8¾ per cent from 1 August.

Selected monthly indicators[1]

	Seasonally adjusted					Unadjusted				Seasonally adjusted			
	1971 =100	Thousands	1975 =100	Thousands		Jan. 1976 =100	1975 =100	Jan. 1974 =100	December 1971 =100	£ million			
	Volume of retail sales (GB)[2, 3] §	New registrations of cars (GB) §	Index of industrial production[4] §	Unemployment[5] §	Vacancies[6, 8] §	Average earnings New series (whole economy: GB)	Wholesale prices of materials and fuel[7]	General index of retail prices (all items)	Sterling effective exchange rate	Balance of payments current account: Exports (f.o.b.) §	Imports (f.o.b.) §	Current balance	Money stock sterling M_3
1977 J	104·4	113·3	105·9	1,395·1	155·2	117·0	147·9	183·8	61·0	2,788	2,953		41,490
A	104·7	113·0	106·4	1,396·8	155·6	115·7	145·9	184·7	62·0	2,845	2,743	+522	41,610
S	103·5	104·7	106·4	1,417·5	150·4	116·6	145·6	185·7	62·4	2,898	2,838		42,190
O	103·1	116·0	105·6†	1,421·9	159·0	117·9	143·7	186·5	62·5	2,739	2,749		42,570
N	103·6	114·2	105·5	1,423·6	162·7	120·1	142·0	187·4	63·6	2,652	2,538	+501	42,880
D	106·9	108·2	106·5	1,421·0	169·1	121·7	141·0	188·4	63·8	2,785	2,905		43,440
1978 J	105·3	119·1	106·8	1,421·7	180·2	121·5	139·4	189·5	66·0	2,603	2,928		44,210
F	106·7	121·0	107·2	1,413·9	185·3	122·7	139·1	190·6	66·0	2,992	2,969	−341	45,030
M	107·2	144·6	106·7	1,411·4	192·3	125·0	142·0	191·8	64·1	2,813	3,107		45,320
A	106·9	130·4	111·0	1,403·0	199·8	127·2	145·1	194·6	61·8	2,960	2,835		45,980
M	108·2	126·6	110·0	1,384·8	205·6	129·4	146·8	195·7	61·5	2,873	3,055	+146	46,530
J	108·6	141·7	111·1	1,378·1	213·4	133·1	147·0	197·2	61·3	2,920	3,036		46,930
J	111·0	111·3	111·6	1,370·2	211·1	133·6	145·8	198·1	62·1	3,011	3,158		47,600
A	111·7	142·4	112·1	1,373·4	211·8	131·7	144·2	199·4	62·4	3,008	3,010	+ 51	47,390
S	109·6	144·0	110·8	1,360·2	222·8	134·2	144·8	200·2	62·7	3,032	3,250		47,880
O	110·2	133·3	108·7	1,349·9	231·8	135·2	145·7	201·1	62·5	3,073	3,037		48,270
N	110·5	126·3	109·7	1,331·7	234·9	136·1	147·3	202·5	62·5	3,020	3,136	+398	48,620
D	113·8	120·9	111·1	1,319·6	235·9	138·0	148·3	204·2	63·2	3,127	3,086		49,370
1979 J	109·6	121·1	103·6	1,342·1	235·7	135·7	150·8	207·2	63·5	2,810	2,936		50,410
F	110·4	117·0	111·4	1,366·5	228·9	141·1	152·2	208·9	63·7	2,565	3,331	−787	50,950
M	110·8	156·0	112·3	1,361·5	233·1	143·7	153·5	210·6	65·0	3,015	3,304		50,570
A	115·4	157·9	113·2	1,327·4	245·3	144·3	158·4[9]†	214·2	66·9	3,275	3,602		51,320†
M	113·5	171·6	113·9	1,306·4	257·3	146·5[9]	161·1[9]	215·9	66·9	3,437	3,622	−231	51,980
J	121·0[9]			1,278·7	262·4		162·1[9]	219·6	68·3	3,779	3,828		52,560
	Percentage change, latest three months on previous three months												
1978 J	+ 2·2	− 4·2	+ 2·4†	− 2·3	+ 9·1	+ 5·7	+ 3·1	+ 2·4	− 3·7	+ 0·4	+ 3·8	..	+ 3·5
A	+ 2·7	− 1·6	+ 2·2	− 1·8	+ 6·5	+ 4·4	+ 0·7	+ 2·2	− 0·9	+ 3·4	+ 2·3	..	+ 3·0
S	+ 2·6	− 0·3	+ 0·7	− 1·5	+ 4·3	+ 2·5	− 0·9	+ 1·7	+ 1·4	+ 2·9	+ 5·5	..	+ 2·5
O	+ 1·1	+10·6	− 0·3	− 1·2	+ 5·8	+ 1·3	− 1·1	+ 1·6	+ 1·5	+ 3·5	− 0·5	..	+ 1·8
N	− 0·2	+ 2·1	− 1·7	− 1·9	+ 8·4	+ 1·8	+ 0·2	+ 1·5	+ 1·0	+ 2·1	+ 2·4	..	+ 2·0
D	+ 0·9	− 4·3	− 1·5	− 2·5	+ 8·8	+ 2·4	+ 1·5	+ 1·7	+ 0·5	+ 1·9	− 1·7	..	+ 2·4
1979 J	+ 1·0	−12·2	− 2·2	− 2·2	+ 6·0	+ 2·1	+ 2·7	+ 2·2	+ 0·9	− 1·7	− 1·5	..	+ 3·4
F	+ 1·3	−11·1	− 0·9	− 0·3	+ 1·6	+ 2·3	+ 3·1	+ 2·7	+ 1·4	− 6·8	− 0·1	..	+ 4·1
M	− 1·3	+ 3·6	− 0·7	+ 1·7	− 0·7	+ 2·7	+ 3·4	+ 3·1	+ 2·1	− 9·0	+ 3·0	..	+ 3·9
A	+ 0·5	+17·0	+ 3·9	+ 1·6	+ 0·1	+ 4·7	+ 4·0†	+ 3·2	+ 3·4	− 1·1	+11·7	..	+ 3·0
M	+ 1·3	+35·2	+ 4·1	− 0·8	+ 5·0	+ 4·8[9]	+ 4·8[9]	+ 3·3	+ 4·4	+ 9·3	+12·6	..	+ 2·1†
J	+ 6·1[9]			− 3·9	+ 9·6		+ 5·5[9]	+ 3·7	+ 5·2	+ 7·8	+ 4·9	..	+ 2·6
	Percentage change, latest three months on corresponding period of previous year												
1978 J	+ 6·0	+18·6	+ 4·9†	+ 0·5	+35·3	+14·1	− 1·2	+ 7·6	− 0·4	+ 8·1	+ 4·4	..	+14·5
A	+ 6·6	+21·7	+ 5·7	− 1·1	+36·7	+14·5	− 1·1	+ 7·7	+ 0·7	+ 6·2	+ 5·1	..	+14·3
S	+ 6·2	+20·1	+ 5·0	− 2·5	+40·0	+14·4	− 1·0	+ 7·9	+ 1·0	+ 6·1	+10·4	..	+14·0
O	+ 6·5	+25·8	+ 4·1	− 3·6	+43·3	+14·5	− 0·1	+ 7·9	+ 0·4	+ 6·1	+11·6	..	+13·6
N	+ 6·5	+20·5	+ 3·7	− 5·2	+46·0	+14·3	+ 1·5	+ 7·9	− 0·4	+10·0	+16·0	..	+13·4
D	+ 6·7	+12·5	+ 3·7	− 6·2	+43·2	+13·8	+ 3·4	+ 8·1	− 0·9	+12·8	+13·0	..	+13·5
1979 J	+ 5·8	+ 7·9	+ 1·8	− 6·4	+38·0	+12·8	+ 5·7	+ 8·6	− 2·2	+11·4	+ 9·4	..	+13·7
F	+ 4·9	+ 3·1	+ 1·7	− 5·4	+31·0	+13·3	+ 7·6	+ 9·1	+ 2·8	+ 1·5	+ 6·3	..	+13·6
M	+ 3·7	+ 2·4	+ 2·1	− 4·2	+25·1	+13·9	+ 8·6	+ 9·6	− 2·0	− 0·3	+ 6·3	..	+12·9
A	+ 4·9	+ 8·8	+ 3·7	− 4·1	+22·5	+14·5	+ 8·9	+ 9·8	+ 1·9	+ 1·0	+14·2	..	+12·1
M	+ 5·2	+20·9	+ 3·6	− 4·9	+23·1	+13·8[9]	+ 9·0[9]†	+10·1	+ 5·7	+ 7·5	+17·5	..	+11·6
J	+ 8·4[9]			− 6·1	+23·6		+ 9·7[9]	+10·6	+ 9·5	+19·9	+23·8	..	+11·8

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] See footnote [2] on page 12. [4] All industries covered. [5] Unemployed excluding school-leavers.
[6] Vacancies notified to employment offices. [7] Purchased by manufacturing industry.
[8] The seasonally adjusted series have been calculated as described in *Employment Gazette* for May 1979. [9] Provisional.

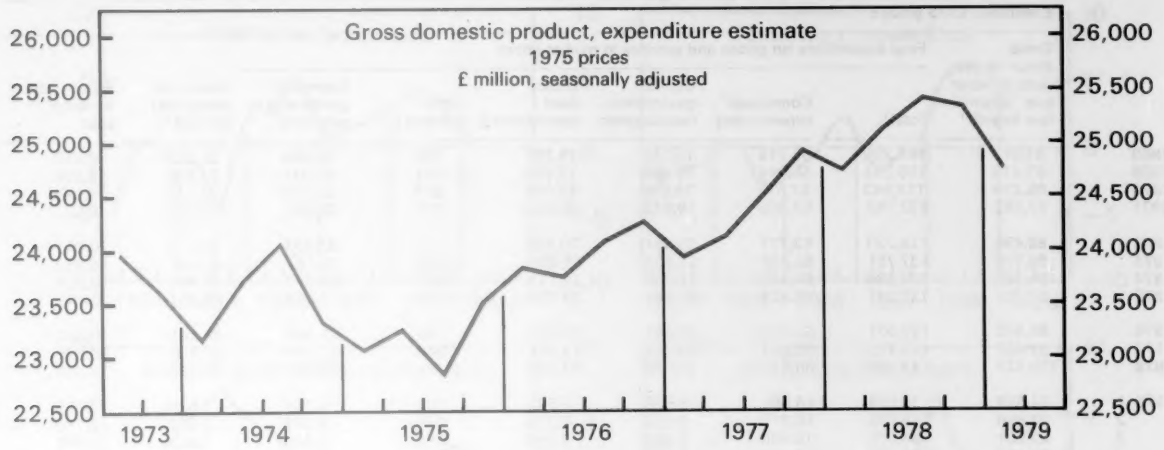
Tables and charts

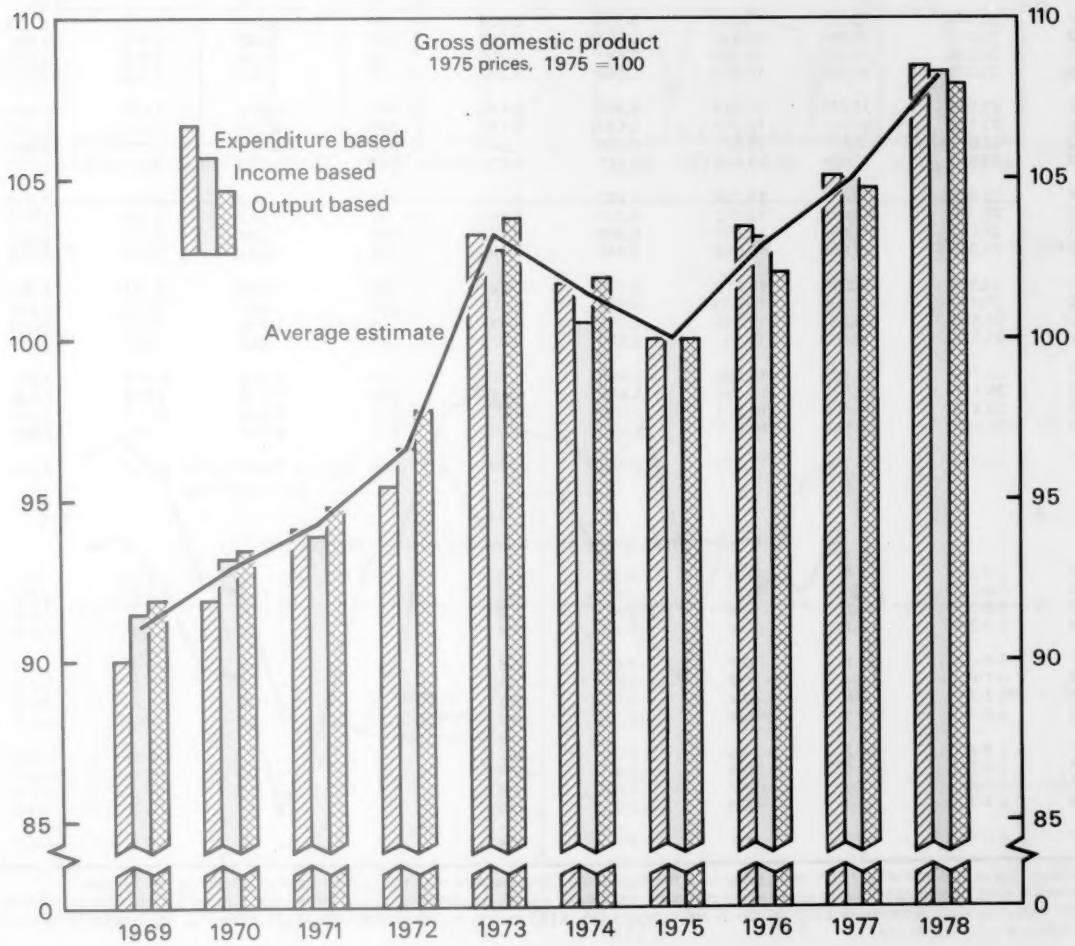
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at factor cost									Implied Index of total home costs	National disposable income[2]
	At current prices				At 1975 factor cost						At 1975 market prices
	£ million		1975 =100		£ million	1975 =100				1975 =100	1975 =100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	expenditure data	Average estimate
1968	37,411	37,183	40·3	40·4	81,913	88·3	88·4	90·1	88·9	45·7	91·8
1969	39,453	39,890	42·5	43·3	83,415	90·0	91·5	91·9	91·1	47·3	94·4
1970	43,445	43,794	46·8	47·5	85,210	91·9	93·2	93·4	92·9	51·0	96·9
1971	49,264	48,857	53·1	53·0	87,242	94·1	93·9	94·8	94·3	56·4	98·8
1972	54,999	55,289	59·3	60·0	88,496	95·4	96·6	97·8	96·6	62·1	101·6
1973	64,031	63,304	69·0	68·7	95,775	103·3	102·8	103·8	103·3	66·9	106·5
1974	73,869	72,524	79·7	78·7	94,325	101·7	100·5	101·9	101·4	78·3	100·4
1975	92,721	92,123	100·0	100·0	92,721	100·0	100·0	100·0	100·0	100·0	100·0
1976	109,352	108,324	117·9	117·6	95,970	103·5	103·2	102·1	102·9	113·9	102·8
1977	123,954	122,897	133·7	133·4	97,467	105·1	104·9	104·7	104·9	127·1	103·9
1978	140,889	139,649	151·9	151·6	100,629	108·5	108·3	107·8	108·2	140·0	108·2
1973 *3*	16,155	16,101	69·7	69·9	23,951	103·3	103·7	104·0	103·7	67·5	105·0
4	16,581	16,349	71·5	71·0	23,619	101·9	101·1	103·6	102·2	70·2	
1974 *1*	16,596	15,954	71·6	69·3	23,168	99·9	96·8	100·1	99·0	71·6	99·9
2	17,646	17,295	76·1	75·1	23,710	102·3	101·0	103·0	102·1	74·4	
3	19,493	19,165	84·1	83·2	24,072	103·9	102·8	103·2	103·3	81·0	100·9
4	20,134	20,110	86·9	87·3	23,375	100·8	101·5	101·4	101·2	86·2	
1975 *1*	21,460	21,179	92·6	92·0	23,089	99·6	99·0	101·3	100·0	92·9	100·1
2	22,742	22,522	98·1	97·8	23,245	100·3	100·0	99·8	100·0	97·9	
3	23,542	23,468	101·6	101·9	22,871	98·7	99·0	99·1	98·9	102·9	99·9
4	24,977	24,954	107·7	108·3	23,516	101·4	102·0	99·8	101·1	106·2	
1976 *1*	25,896	25,449	111·7	110·5	23,850	102·9	101·8	101·0	101·9	108·6	102·5
2	26,726	26,677	115·3	115·8	23,769	102·5	103·0	101·7	102·4	112·4	
3	27,791	27,604	119·9	119·9	24,082	103·9	103·9	101·8	103·2	115·4	103·1
4	28,939	28,594	124·8	124·1	24,269	104·7	104·1	103·9	104·2	119·3	
1977 *1*	29,310	29,228	126·4	126·9	23,940	103·3	103·6	104·5	103·8	122·5	102·6
2	30,239	30,381	130·4	131·9	24,110	104·0	105·2	104·2	104·5	125·4	
3	31,772	31,112	137·1	135·1	24,492	105·7	104·1	104·8	104·8	129·7	105·1
4	32,633	32,176	140·8	139·7	24,925	107·5	106·7	105·2	106·5	130·9	
1978 *1*	33,607	32,957	145·0	143·1	24,754	106·8	105·4	105·9	106·0	135·7	107·1
2	34,622	34,498	149·4	149·8	25,111	108·3	108·7	108·1	108·4	137·9	
3	35,936	35,636	155·0	154·7	25,414	109·6	109·4	108·7	109·2	141·4	109·3
4	36,724	36,558	158·4	158·8	25,350	109·4	109·6	108·6	109·2	144·9	
1979 *1*	36,662	36,764	158·2	159·6	24,772	106·9	107·9	107·6	107·4	148·0	
	Percentage change, period on corresponding period of previous year										
1976 *3*	*+18·0*	*+17·6*	*+18·0*	*+17·6*	*+5·3*	*+5·3*	*+4·9*	*+2·7*	*+4·3*	*+12·1*	*+3·2*
4	*+15·9*	*+14·6*	*+15·9*	*+14·6*	*+3·2*	*+3·2*	*+2·1*	*+4·1*	*+3·1*	*+12·3*	
1977 *1*	*+13·2*	*+14·8*	*+13·2*	*+14·8*	*+0·4*	*+0·4*	*+1·8*	*+3·5*	*+1·9*	*+12·8*	*+0·1*
2	*+13·1*	*+13·9*	*+13·1*	*+13·9*	*+1·4*	*+1·4*	*+2·1*	*+2·5*	*+2·1*	*+11·6*	
3	*+14·3*	*+12·7*	*+14·3*	*+12·7*	*+1·7*	*+1·7*	*+0·2*	*+2·9*	*+1·6*	*+12·4*	*+1·9*
4	*+12·8*	*+12·5*	*+12·8*	*+12·5*	*+2·7*	*+2·7*	*+2·5*	*+1·3*	*+2·2*	*+ 9·7*	
1978 *1*	*+14·7*	*+12·8*	*+14·7*	*+12·8*	*+3·4*	*+3·4*	*+1·7*	*+1·3*	*+2·1*	*+10·8*	*+4·4*
2	*+14·5*	*+13·6*	*+14·5*	*+13·6*	*+4·2*	*+4·2*	*+3·3*	*+3·7*	*+3·7*	*+10·0*	
3	*+13·1*	*+14·5*	*+13·1*	*+14·5*	*+3·8*	*+3·8*	*+5·1*	*+3·7*	*+4·2*	*+ 9·0*	*+4·0*
4	*+12·5*	*+13·6*	*+12·5*	*+13·6*	*+1·7*	*+1·7*	*+2·7*	*+3·2*	*+2·5*	*+10·7*	
1979 *1*	*+ 9·1*	*+11·6*	*+ 9·1*	*+11·6*	*+0·1*	*+0·1*	*+2·4*	*+1·6*	*+1·3*	*+ 9·1*	

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends*, No. 255, January 1975.
[3] Income data deflated by the implied index of total home costs.


Gross domestic product, expenditure estimate
1975 prices
£ million, seasonally adjusted
26,000
25,500
25,000
24,500
24,000
23,500
23,000
22,500
1973
1974
1975
1976
1977
1978
1979


Gross domestic product
1975 prices, 1975 =100
Expenditure based
Income based
Output based
Average estimate
110
105
100
95
90
85
0
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978

Expenditure on the gross domestic product

Seasonally adjusted

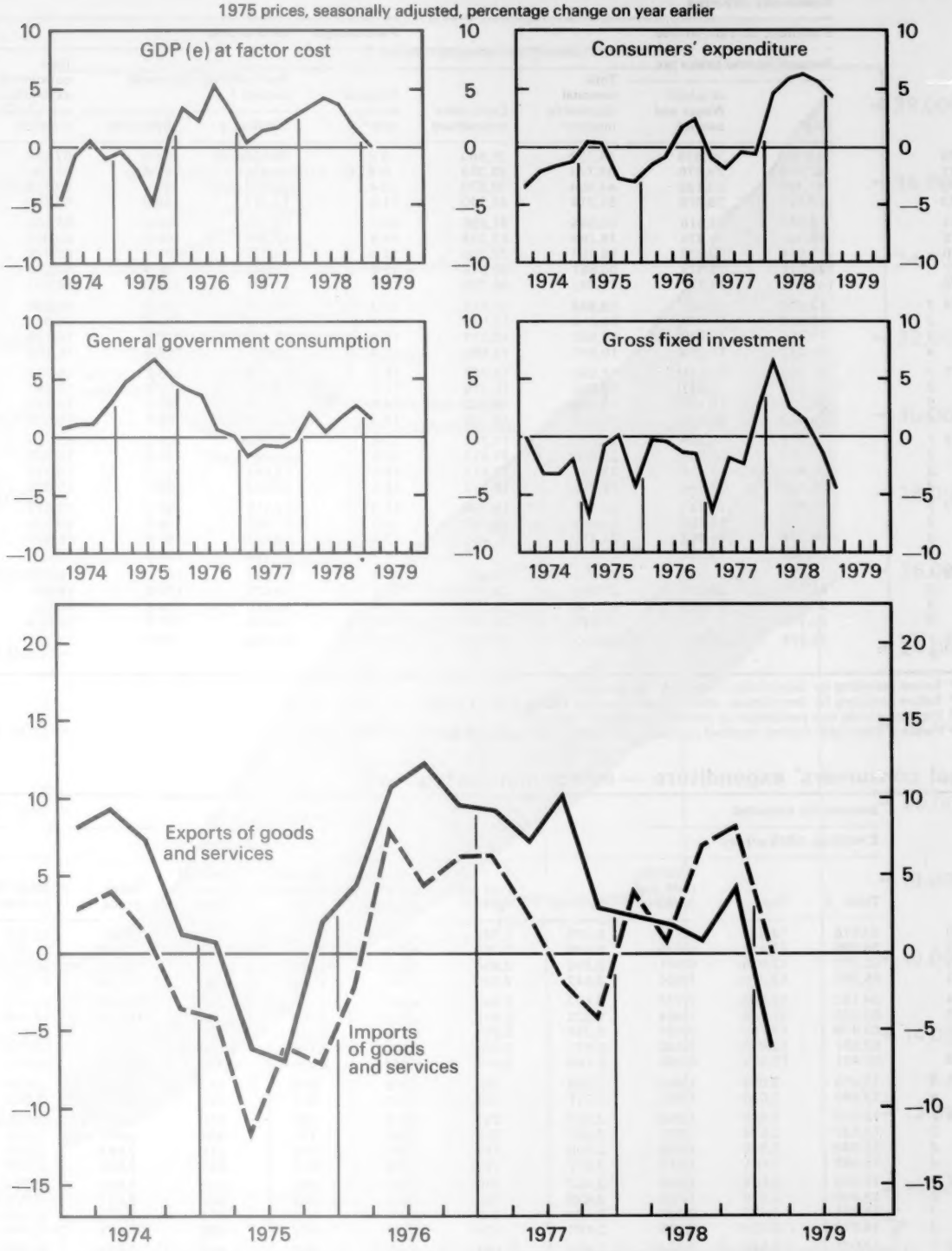
£ million, 1975 prices

	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices							
		Total[1]	Consumers' expenditure§	General government consumption	Gross fixed investment[2]§	Stock building§	Exports of goods and services§	Imports of goods and services[2]§	Adjustment to factor cost
1968	81,913	113,251	55,716	19,165	19,287	920	18,498	22,222	8,870
1969	83,415	115,293	56,094	18,808	19,360	951	20,321	22,936	8,838
1970	85,210	118,642	57,516	19,076	19,845	979	21,437	24,147	9,179
1971	87,242	122,187	59,295	19,642	20,209	235	23,007	25,307	9,527
1972	88,496	126,723	62,772	20,451	20,240	73	23,293	27,773	10,257
1973	95,775	137,751	65,586	21,426	21,609	2,983	26,147	31,043	10,933
1974	94,325	136,336	64,162	21,742	21,173	1,459	27,800	31,359	10,652
1975	92,721	132,241	63,328	22,962	20,536	−1,623	27,038	29,067	10,453
1976	95,970	137,071	63,479	23,464	20,395	245	29,488	30,241	10,860
1977	97,467	138,715	62,897	23,262	19,961	949	31,646	30,420	10,828
1978	100,629	143,966	66,431	23,665	20,456	1,034	32,380	31,893	11,444
1973 *1*	24,339	34,574	16,582	5,328	5,534	865	6,265	7,520	2,715
2	23,866	34,278	16,275	5,318	5,320	915	6,450	7,642	2,770
3	23,951	34,516	16,406	5,384	5,399	682	6,645	7,823	2,742
4	23,619	34,383	16,323	5,396	5,356	521	6,787	8,058	2,706
1974 *1*	23,168	33,627	15,985	5,376	5,534	− 34	6,766	7,736	2,723
2	23,710	34,259	15,940	5,374	5,158	744	7,043	7,942	2,607
3	24,072	34,643	16,129	5,441	5,229	718	7,126	7,913	2,658
4	23,375	33,807	16,108	5,551	5,252	31	6,865	7,768	2,664
1975 *1*	23,089	33,166	16,052	5,625	5,146	− 471	6,814	7,407	2,670
2	23,245	32,903	15,987	5,687	5,122	− 509	6,616	7,023	2,635
3	22,871	32,871	15,671	5,809	5,242[2]	− 476	6,625	7,419[2]	2,581
4	23,516	33,301	15,618	5,841	5,026	− 167	6,983	7,218	2,567
1976 *1*	23,850	33,774	15,758	5,862	5,156	− 102	7,100	7,256	2,668
2	23,769	34,070	15,822	5,901	5,107[2]	− 77	7,317	7,586[2]	2,715
3	24,082	34,531	15,910	5,856	5,177[2]	160	7,428	7,742[2]	2,707
4	24,269	34,696	15,989	5,845	4,955	264	7,643	7,657	2,770
1977 *1*	23,940	34,359	15,610	5,771	4,821	402	7,755	7,711	2,708
2	24,110	34,530	15,535	5,855	5,010[2]	289	7,841	7,774[2]	2,646
3	24,492	34,823	15,849	5,802	5,057	− 73	8,188	7,600	2,731
4	24,925	35,003	15,903	5,834	5,073	331	7,862	7,335	2,743
1978 *1*	24,754	35,629	16,326	5,886	5,152	323	7,942	8,019	2,856
2	25,111	35,772	16,456	5,881	5,147	295	7,993	7,823	2,838
3	25,414	36,421	16,831	5,906	5,132	304	8,248	8,117	2,890
4	25,350	36,144	16,818	5,992	5,025	112	8,197	7,934	2,860
1979 *1*	24,772	35,748	17,021	5,986	4,927	378	7,436	8,007	2,969
		Percentage change, quarter on corresponding quarter of previous year							
1976 *1*	*+3·3*	*+1·8*	*−1·8*	*+4·2*	*+0·2*	..	*+ 4·2*	*−2·0*	*−0·1*
2	*+2·3*	*+3·5*	*−1·0*	*+3·9*	*−0·3*	..	*+10·6*	*+8·0*	*+3·0*
3	*+5·3*	*+5·1*	*+1·5*	*+0·8*	*−1·2*	..	*+12·1*	*+4·4*	*+4·9*
4	*+3·2*	*+4·2*	*+2·4*	*+0·1*	*−1·4*	..	*+ 9·5*	*+6·1*	*+7·9*
1977 *1*	*+0·4*	*+1·7*	*−0·9*	*−1·6*	*−6·5*	..	*+ 9·2*	*+6·3*	*+1·5*
2	*+1·4*	*+1·4*	*−1·8*	*−0·8*	*−1·9*	..	*+ 7·2*	*+2·5*	*−2·5*
3	*+1·7*	*+0·8*	*−0·4*	*−0·9*	*−2·3*	..	*+10·2*	*−1·8*	*+0·9*
4	*+2·7*	*+0·9*	*−0·5*	*−0·2*	*+2·4*	..	*+ 2·9*	*−4·2*	*−1·0*
1978 *1*	*+3·4*	*+3·7*	*+4·6*	*+2·0*	*+6·9*	..	*+ 2·4*	*+4·0*	*+5·5*
2	*+4·2*	*+3·6*	*+5·9*	*+0·4*	*+2·7*	..	*+ 1·9*	*+0·6*	*+7·3*
3	*+3·8*	*+4·6*	*+6·2*	*+1·8*	*+1·5*	..	*+ 0·7*	*+6·8*	*+5·8*
4	*+1·7*	*+3·3*	*+5·8*	*+2·7*	*−0·9*	..	*+ 4·3*	*+8·2*	*+4·3*
1979 *1*	*+0·1*	*+0·3*	*+4·3*	*+1·7*	*−4·4*	..	*− 6·4*	*−0·1*	*+4·0*

[1] For years up to and including 1972, totals differ from the sum of the components due to the method used to rebase on 1975 prices.

[2] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter of 1977.

1975 prices, seasonally adjusted, percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1975 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1975=100	£ million
1970	43,260	26,975	34,738	31,660	8·8	63,108	84·9	57,516
1971	47,979	29,676	38,723	35,359	8·7	64,936	87·4	59,295
1972	54,486	33,136	44,504	39,870	10·4	70,068	94·3	62,772
1973	63,077	38,018	51,214	45,240	11·6	74,247	99·9	65,586
1974	76,046	45,916	60,545	51,956	14·1	74,769	100·6	64,162
1975	96,357	58,974	74,286	63,328	14·8	74,286	100·0	63,328
1976	111,847	66,932	85,884	73,399	14·6	74,277	100·0	63,479
1977	124,771	73,523	96,861	83,516	13·8	72,947	98·2	62,897
1978	141,942	83,372	111,982	95,733	14·4	77,707	104·6	66,431
1974 *1*	17,218	10,197	13,848	12,012	13·3	18,438	99·3	15,985
2	18,033	10,928	14,614	12,655	13·4	18,417	99·2	15,940
3	19,704	11,876	15,582	13,334	14·4	18,858	101·5	16,129
4	21,091	12,915	16,501	13,955	15·4	19,056	102·6	16,108
1975 *1*	22,499	13,904	17,534	14,672	16·3	19,174	103·2	16,052
2	23,534	14,347	18,262	15,715	14·0	18,569	100·0	15,987
3	24,801	15,153	18,955	16,202	14·5	18,325	98·7	15,671
4	25,523	15,570	19,535	16,739	14·3	18,218	98·1	15,618
1976 *1*	26,771	15,999	20,595	17,354	15·8	18,692	100·7	15,758
2	27,464	16,545	20,960	17,919	14·5	18,499	99·6	15,822
3	28,433	17,024	22,021	18,614	15·5	18,814	101·3	15,910
4	29,179	17,364	22,308	19,512	12·5	18,272	98·4	15,989
1977 *1*	30,122	17,746	23,101	19,796	14·3	18,215	98·1	15,610
2	30,726	18,195	23,659	20,462	13·5	17,962	96·7	15,535
3	31,334	18,483	24,410	21,464	12·1	18,024	97·1	15,849
4	32,589	19,099	25,691	21,794	15·2	18,746	100·9	15,903
1978 *1*	33,432	19,648	25,974	22,801	12·2	18,604	100·2	16,326
2	35,246	20,708	27,685	23,466	15·2	19,421	104·6	16,456
3	35,889	21,225	28,645	24,530	14·4	19,660	105·8	16,831
4	37,375	21,791	29,678	24,936	16·0	20,022	107·8	16,818
1979 *1*	38,374	22,475	30,403	25,825	15·1	20,038	107·9	17,021
2								

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1975=100).

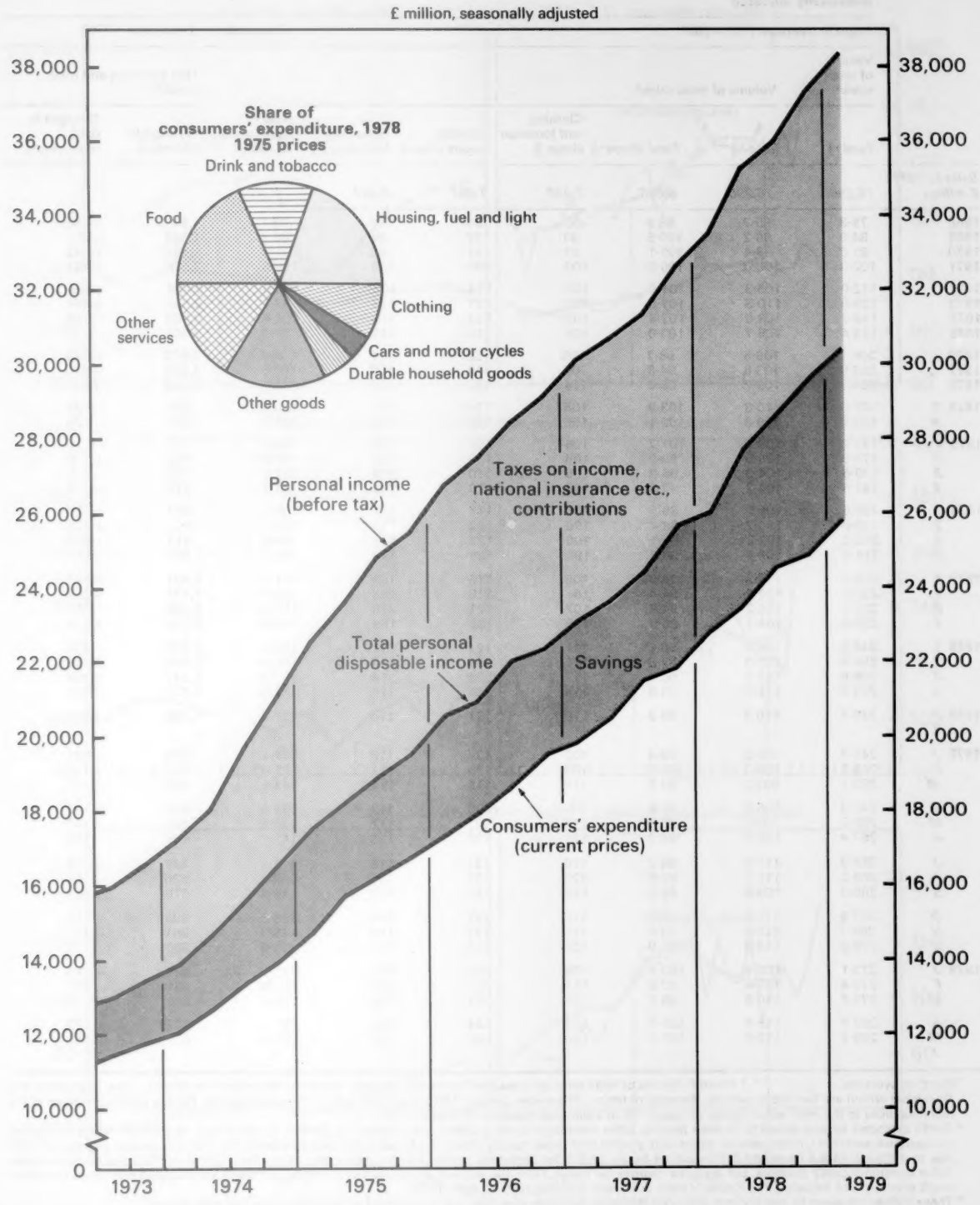
Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1975 prices

	Total[1] §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1970	57,516	12,072	6,374	8,488	2,782	4,635	2,229	1,759	8,683	10,810
1971	59,295	12,117	6,520	8,696	2,752	4,715	2,430	2,345	8,966	11,032
1972	62,772	12,025	6,961	8,890	2,854	4,962	2,988	2,811	9,855	11,568
1973	65,586	12,210	7,694	9,047	2,930	5,181	3,400	2,668	10,629	11,827
1974	64,162	12,099	7,777	9,107	2,983	5,107	3,241	1,731	10,647	11,470
1975	63 328	12,072	7,604	9,222	2,916	5,170	3,204	1,816	10,358	10,966
1976	63,479	12,189	7,664	9,391	2,894	5,194	3,384	1,977	10,475	10,311
1977	62,897	12,049	7,460	9,571	2,964	5,315	3,194	1,920	10,170	10,254
1978	66,431	12,312	8,085	9,789	3,019	5,840	3,529	2,498	10,539	10,820
1976 *3*	15,910	3,094	1,952	2,360	702	1,306	873	482	2,605	2,536
4	15,989	3,020	1,971	2,371	743	1,313	859	529	2,620	2,563
1977 *1*	15,610	2,949	1,818	2,367	737	1,318	787	510	2,576	2,548
2	15,535	3,024	1,831	2,387	765	1,288	771	454	2,463	2,552
3	15,849	2,995	1,898	2,400	749	1,350	819	515	2,563	2,560
4	15,903	3,081	1,913	2,417	713	1,359	817	441	2,568	2,594
1978 *1*	16,326	3,036	1,998	2,407	759	1,397	847	601	2,587	2,694
2	16,456	3,019	1,993	2,439	762	1,415	864	646	2,617	2,701
3	16,831	3,128	2,045	2,460	770	1,507	910†	673	2,672	2,666
4	16,818	3,129	2,049	2,483	728	1,521	908	578	2,663	2,759
1979 *1*	17,021	3,140	2,074	2,476	864	1,484	912	643	2,633	2,795
2										

[1] For the years prior to 1973 the total differs from the sum of the components due to the method of rebasing to 1975 prices.


£ million, seasonally adjusted
38,000
36,000
34,000
32,000
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
0
1973
1974
1975
1976
1977
1978
1979
Share of consumers' expenditure, 1978 1975 prices
Drink and tobacco
Housing, fuel and light
Clothing
Cars and motor cycles
Durable household goods
Other goods
Other services
Food
Personal income (before tax)
Taxes on income, national insurance etc., contributions
Total personal disposable income
Savings
Consumers' expenditure (current prices)

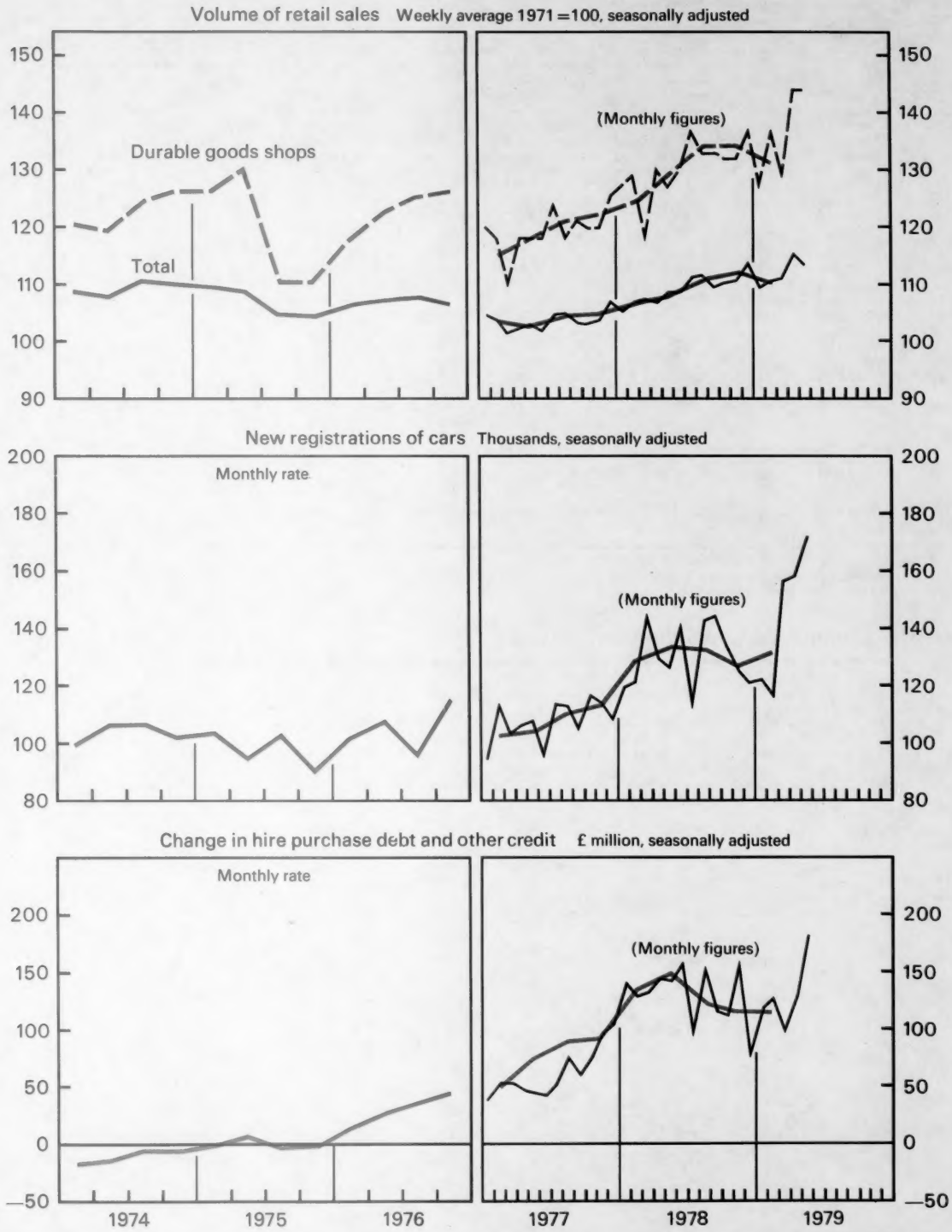
Retail sales, new registrations of cars and hire purchase debt (Great Britain)

	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]						Hire purchase and other credit[3]	
	Total[4] §	Total[4] §	Food shops[4] §	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	New registrations of cars §	New credit extended	Changes in debt outstanding
Sales in 1971 £ million	*16,296*	*16,296*	*6,866*	*2,436*	*1,897*	*5,097*			
1968	79·3	95·7	98·9	93	89	95	93·1	1,637	+ 56
1969	84·0	96·2	100·5	93	87	95	82·3	1,584	− 11
1970	91·0	98·4	101·1	97	91	98	91·4	1,767	+ 92
1971	100·0	100·0	100·0	100	100	100	108·5	2,036	+251
1972	112·0	105·3	101·6	104	113	108	138·6	2,466	+438
1973	126·9	110·3	101·6	108	127	117	137·1	2,846	+444
1974	146·7	109·0	102·4	106	122	115	102·8	2,508	−164
1975	174·4	106·7	100·0	106	119	111	97·2	2,981	− 13
1976	200·1	106·5	98·7	106	122	111	104·7	3,586	+343
1977	228·0	103·6	94·8	105	119	109	107·1	4,392	+625
1978	260·1	109·2	98·0	114	130	114	130·1	5,998	+1,561
1974 *3*	151·0	110·3	103·9	108	124	115	106·0	651	− 28
4	158·0	109·8	103·1	106	126	115	101·3	674	− 25
1975 *1*	165·2	109·5	101·7	109	126	114	103·0	710	− 6
2	175·0	108·5	99·9	106	130	113	94·0	752	+ 9
3	176·6	104·3	98·9	105	110	109	102·0	749	− 9
4	181·5	104·2	99·3	103	110	109	89·9	770	− 7
1976 *1*	189·6	105·9	99·5	105	117	111	100·7	833	+ 37
2	196·0	106·7	99·4	106	122	111	107·1	872	+ 79
3	203·2	107·2	99·1	106	125	112	95·5	913	+100
4	211·6	106·1	96·8	105	126	112	115·3	968	+127
1977 *1*	216·7	103·3	94·9	105	115	109	101·6	1,007	+144
2	222·0	102·4	94·4	101	118	108	103·6	1,102	+224
3	233·7	104·2	94·3	107	121	110	110·3	1,203	+267
4	239·6	104·7	95·6	109	122	109	112·8	1,278	+274
1978 *1*	246·4	106·4	96·6	111	124	111	128·2	1,374	+403
2	254·4	107·9	97·8	111	129	113	132·9	1,506	+443
3	266·6	110·7	98·1	117	134	116	132·5	1,542	+368
4	273·0	111·7	99·4	119	134	116	126·8	1,576	+347
1979 *1*	276·4	110·3	99·9	116	131	114	131·4	1,586	+345
2									
1978 *J*	241·7	105·3	95·4	107	127	110	119·1	463	+141
F	246·3	106·7	96·7	109	129	111	121·0	452	+130
M	250·1	107·2	97·5	116	118	112	144·6	459	+132
A	249·8	106·9	96·6	108	130	112	130·4	498	+143
M	255·2	108·2	98·3	113	127	112	126·6	509	+142
J	257·4	108·6	98·3	111	130	113	141·7	499	+158
J	265·0	111·0	98·2	116	137	116	111·3	490	+ 96
A	269·2	111·7	97·8	121	133	118	142·4	536	+155
S	265·9	109·6	98·2	115	133	114	144·0	516	+117
O	267·9	110·2	98·3	115	132	116	133·3	508	+112
N	269·7	110·5	98·6	115	132	116	126·3	561	+157
D	279·8	113·8	100·9	126	137	117	120·9	507	+ 78
1979 *J*	273·1	109·6	103·6	109	127	111	121·1	525	+119
F	275·4	110·4	97·0	117	137	116	117·0	531	+127
M	279·8	110·8	99·3	120	129	115	156·0	530	+ 99
A	290·6	115·4	101·6	124	144	119	157·9	572	+129
M	289·2	113·5	101·5	116	144	117	171·6	624	+182
J									

[1] Monthly averages. [2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses, other consumer credit grantors and retailers, i.e. durable goods shops, department stores (including co-operative societies), other general stores and general mail order houses. There is a break in the series between the first and second quarters of 1977 due to a change in the coverage of the finance house and other consumer credit grantors series. Up to the first quarter of 1977 the series excludes 'other consumer credit grantors' but includes charges for credit. From the second quarter of 1977 charges for credit are excluded but 'other consumer credit grantors' are included. For further details see *Trade and Industry*, 12 April 1979.

[4] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.


Volume of retail sales Weekly average 1971 = 100, seasonally adjusted
Durable goods shops
Total
(Monthly figures)
150
140
130
120
110
100
90
New registrations of cars Thousands, seasonally adjusted
Monthly rate
(Monthly figures)
200
180
160
140
120
100
80
Change in hire purchase debt and other credit £ million, seasonally adjusted
Monthly rate
(Monthly figures)
200
150
100
50
0
—50
1974
1975
1976
1977
1978
1979

Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent						£ million	Per cent		
		Percentage share of total final expenditure							Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1], [2]
1970	62,099	51·0	14·4	3·9	2·7	8·6	18·5	44,832	67·8	13·2	19·0
1971	69,245	51·1	14·7	3·7	2·7	8·8	18·7	49,998	67·3	13·4	19·3
1972	76,865	51·9	15·1	3·6	2·3	9·2	17·7	56,577	67·0	13·2	19·8
1973	91,689	49·4	14·5	4·0	2·3	9·2	18·8	66,298	65·7	13·5	20·8
1974	109,773	47·4	15·1	4·0	2·6	8·8	21·0	78,725	66·9	12·1	20·9
1975	132,241	47·9	17·4	3·8	3·1	8·7	20·4	97,839	69·8	10·3	19·8
1976	159,333	46·1	16·7	3·4	2·9	8·5	22·2	114,953	68·1	11·2	20·7
1977	183,495	45·5	15·9	2·6	2·5	8·9	23·8	128,085	67·0	12·1	20·8
1978	206,692	46·3	15·8	2·2	2·3	9·6†	23·1	143,977	67·5	11·7	20·7
1976 *3*	40,785	45·7	16·6	3·2	2·8	8·8	22·3	29,272	68·1	11·0	20·9
4	42,696	45·7	16·2	3·1	2·8	8·3	23·0	30,517	66·7	12·5	20·8
1977 *1*	43,526	45·5	16·0	3·0	2·6	8·3	23·7	31,326	66·2	13·1	20·7
2	45,327	45·1	16·1	2·6	2·5	9·0	23·8	31,684	67·0	12·2	20·8
3	47,035	45·6	15·8	2·5	2·6	9·0	24·3	32,259	67·0	11·8	21·2
4	47,607	45·8	15·7	2·5	2·5	9·3	23·4	32,816	67·9	11·4	20·7
1978 *1*	49,396	46·2	15·9	2·4	2·3	9·7	23·0	33,791	67·8	11·4	20·8
2	50,814	46·2	15·8	2·2	2·4	9·6	23·1	35,670	67·7	11·6	20·7
3	52,810	46·4	15·6	2·2	2·3	9·5	23·1	36,655	67·5	11·8	20·7
4	53,672	46·5	16·0	2·0	2·3	9·6	23·1	37,861	67·2	12·2	20·6
1979 *1*	54,045	47·8	16·1	2·3	2·2	9·3	21·4	38,730	67·6	11·7	20·7
2											

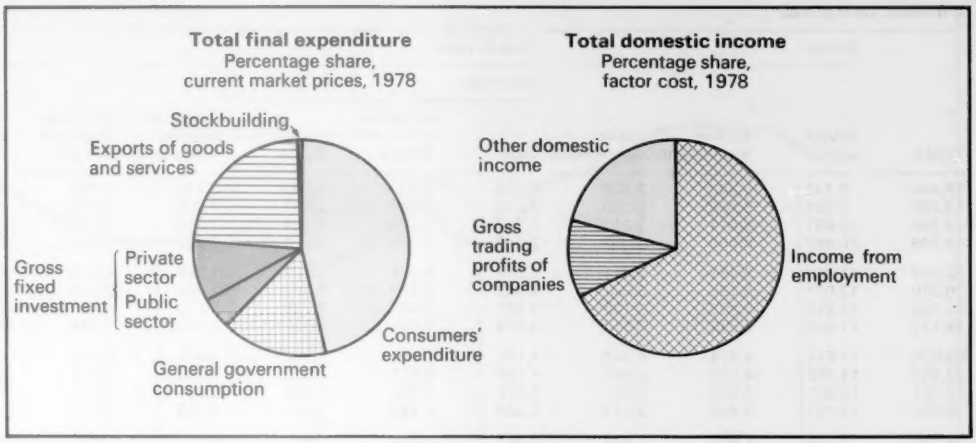
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.

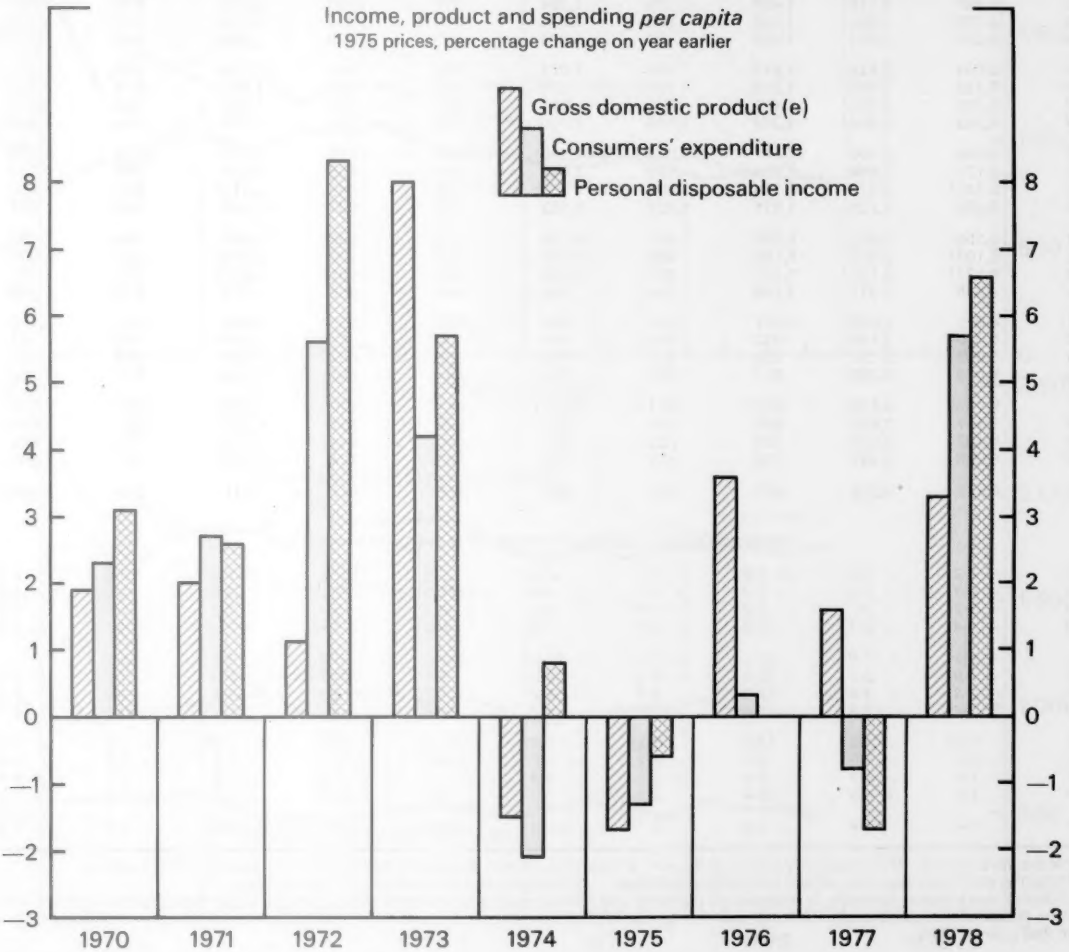
Income, product and spending *per capita*

Seasonally adjusted

	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1], [2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1], [2]	Consumers' expenditure	Personal disposable income
1970	793	782	570	626	1,535	1,036	1,137
1971	893	884	635	695	1,566	1,064	1,166
1972	994	984	714	797	1,584	1,124	1,254
1973	1,165	1,143	808	915	1,710	1,171	1,326
1974	1,342	1,319	928	1,081	1,684	1,146	1,335
1975	1,670	1,656	1,131	1,327	1,656	1,131	1,327
1976	1,978	1,954	1,312	1,535	1,715	1,134	1,327
1977	2,224	2,217	1,494	1,732	1,743	1,125	1,305
1978	2,534	2,522	1,714	2,004	1,801	1,189	1,391
1975 *3*	424	421	289	339	409	280	327
4	451	446	299	349	420	279	325
1976 *1*	468	463	310	368	426	281	334
2	484	477	320	375	425	283	330
3	503	497	333	393	430	284	336
4	523	517	349	399	434	286	327
1977 *1*	527	524	354	413	428	279	326
2	542	541	366	423	431	278	321
3	570	568	384	437	438	283	323
4	585	584	390	459	446	285	335
1978 *1*	603	601	408	465	443	292	333
2	624	620	420	495	449	295	348
3	648	643	439	513	455	301	352
4	659	658	447	531	454	301	358
1979 *1*	660	657	462	544	444	305	359
2							

[1] At factor cost.
[2] Based on expenditure data.


Total final expenditure
Percentage share,
current market prices, 1978
Stockbuilding
Exports of goods and services
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
General government consumption
Total domestic income
Percentage share,
factor cost, 1978
Other domestic income
Gross trading profits of companies
Income from employment


Income, product and spending *per capita*
1975 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
8
7
6
5
4
3
2
1
0
—1
—2
—3
1970
1971
1972
1973
1974
1975
1976
1977
1978

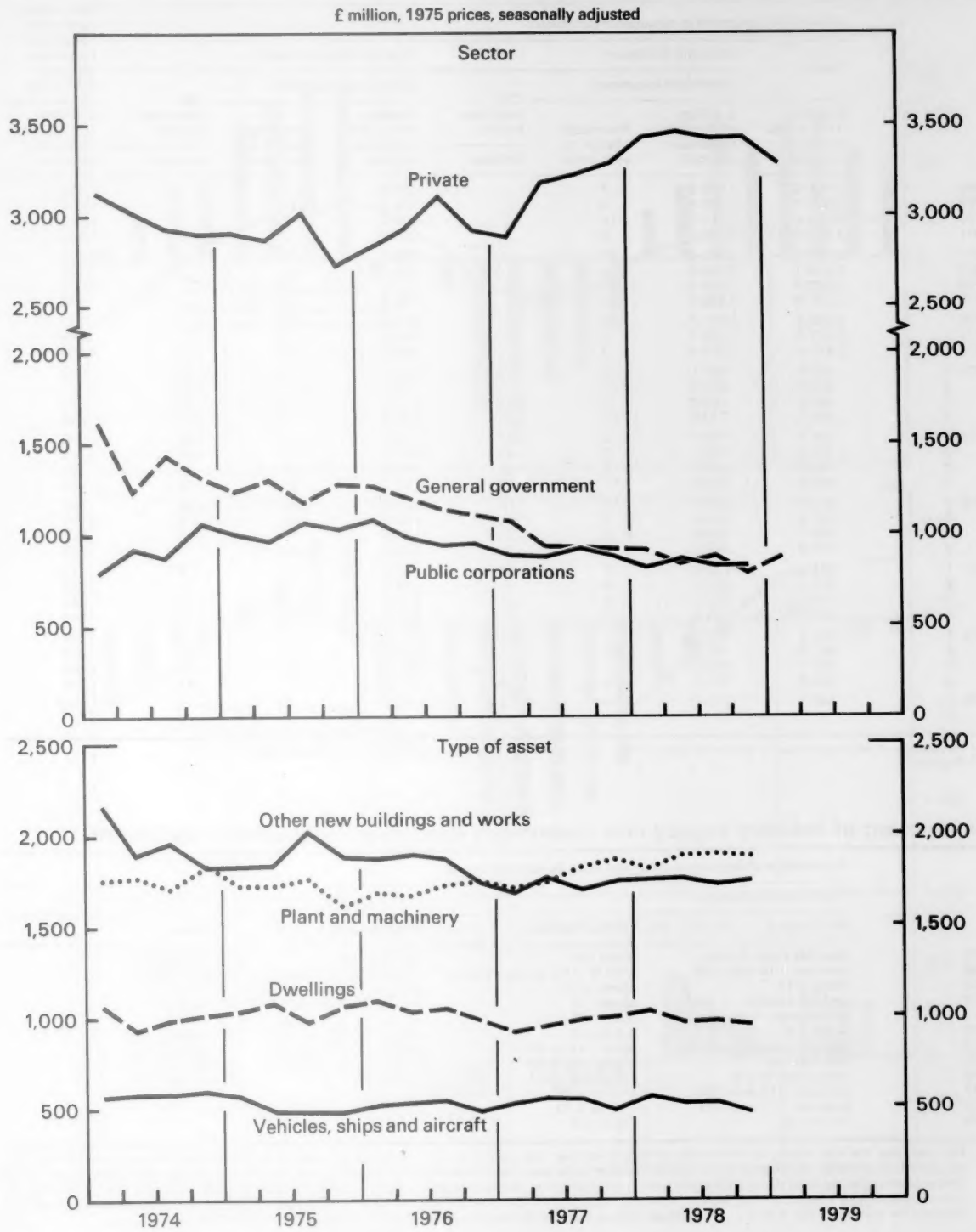
Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

	Sector[2]			Type of asset					
				Dwellings					
	Total §	Private sector	General government	Public corporations	Total	*of which:* Private	*of which:* Public	Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
1967	18,440	9,132	5,340	3,992	4,312	2,187	2,140	6,931	1,402	5,889
1968	19,287	9,984	5,608	3,726	4,515	2,285	2,243	7,279	1,730	5,891
1969	19,360	10,607	5,511	3,263	4,317	2,134	2,194	7,368	1,700	6,071
1970	19,845	10,869	5,599	3,392	3,967	2,006	1,972	7,653	1,825	6,402
1971	20,209	11,360	5,421	3,411	4,218	2,401	1,822	7,885	1,889	6,300
1972	20,240	12,001	5,195	3,002	4,443	2,748	1,692	7,745	2,155	6,006
1973	21,609	12,519	5,928	3,162	4,281	2,491	1,790	8,145	2,415	6,768
1974	21,173	11,979	5,577	3,617	3,978	2,041	1,937	7,815	2,324	7,056
1975	20,536	11,514	4,974	4,048	4,160	2,196	1,964	7,542	2,017	6,817
1976	20,395	11,752	4,696	3,947	4,152	2,112	2,040	7,360	2,043	6,840
1977	19,961	12,571	3,839	3,551	3,841	1,992	1,849	6,884	2,091	7,145
1978	20,456	13,737	3,404	3,315	3,904	2,283	1,621	6,985	2,071	7,496
1973 *1*	5,534	3,239	1,495	800	1,087	640	447	2,122	625	1,700
2	5,320	3,118	1,436	766	1,094	656	438	2,020	565	1,641
3	5,399	3,092	1,499	808	1,076	610	466	2,018	593	1,712
4	5,356	3,070	1,498	788	1,024	585	439	1,985	632	1,715
1974 *1*	5,534	3,128	1,615	791	1,063	570	493	2,156	564	1,751
2	5,158	3,030	1,219	909	929	494	435	1,887	579	1,763
3	5,229	2,926	1,439	864	981	451	530	1,952	586	1,710
4	5,252	2,895	1,304	1,053	1,005	526	479	1,820	595	1,832
1975 *1*	5,146	2,900	1,241	1,005	1,030	554	476	1,827	566	1,723
2	5,122	2,864	1,299	959	1,082	574	508	1,829	488	1,723
3	5,242[4]	3,022[4]	1,163	1,057	986	543	443	2,013[4]	483	1,760
4	5,026	2,728	1,271	1,027	1,062	525	537	1,873	480	1,611
1976 *1*	5,156	2,819	1,260	1,077	1,100	566	534	1,857	506	1,693
2	5,107[4]	2,919[4]	1,199	989	1,019	510	509	1,894[4]	522	1,672
3	5,177[4]	3,103[4]	1,137	937	1,045	544	501	1,867[4]	539	1,726
4	4,955	2,911	1,100	944	988	492	496	1,742	476	1,749
1977 *1*	4,821	2,870	1,067	884	908	421	487	1,680	518	1,715
2	5,010[4]	3,196[4]	932	882	949	492	457	1,764[4]	550	1,747
3	5,057	3,222	923	912	989	535	454	1,697	546	1,825
4	5,073	3,283	917	873	995	544	451	1,743	477	1,858
1978 *1*	5,152†	3,429†	912†	811†	1,033†	613†	420	1,750†	559†	1,810†
2	5,147	3,452	842	853	970	586	384	1,756	527	1,894
3	5,132	3,425	874	833	985	542	443	1,730	518	1,899
4	5,025	3,431	776	818	916	542	374	1,749	467	1,893
1979 *1*	4,927	3,279	867	781	823	446	377	1,741	519	1,844
	Percentage change, quarter on corresponding quarter of previous year									
1976 *1*	+ 0·2	− 2·8	+ 1·5	+ 7·2	+ 6·8	+ 2·2	+12·2	+ 1·6	−10·6	− 1·7
2	− 0·3	+ 1·9	− 7·7	+ 3·1	− 5·8	−11·2	+ 0·2	+ 3·6	+ 7·0	− 3·0
3	− 1·2	+ 2·7	− 2·2	−11·4	+ 6·0	+ 0·2	+13·1	− 7·3	+11·6	− 1·9
4	− 1·4	+ 6·7	−13·5	− 8·1	− 7·0	− 6·3	− 7·6	− 7·0	− 0·8	+ 8·6
1977 *1*	− 6·5	+ 1·8	−15·3	−17·9	−17·5	−25·6	− 8·8	− 9·5	+ 2·4	+ 1·3
2	− 1·9	+ 9·5	−22·3	−10·8	− 6·9	− 3·5	−10·2	− 6·9	+ 5·4	+ 4·5
3	− 2·3	+ 3·8	−18·8	− 2·7	− 5·4	− 1·7	− 9·4	− 9·1	+ 1·3	+ 5·7
4	+ 2·4	+12·8	−16·6	− 7·5	+ 0·7	+10·6	− 9·1	+ 0·1	+ 0·2	+ 6·2
1978 *1*	+ 6·9†	+19·5†	−14·5†	− 8·3†	+13·8†	+45·6†	−13·8	+ 4·2†	+ 7·9†	+ 5·5†
2	+ 2·7	+ 8·0	− 9·7	− 3·3	+ 2·2	+19·1	−16·0	− 0·5	− 4·2	+ 8·4
3	+ 1·5	+ 6·3	− 5·3	− 8·7	− 0·4	+ 1·3	− 2·4	+ 1·9	− 5·1	+ 4·1
4	− 1·0	+ 4·5	−15·4	− 6·3	− 7·9	− 0·4	−17·1	+ 0·3	− 2·1	+ 1·9
1979 *1*	− 4·4	− 4·4	− 4·9	− 3·7	−20·3	−27·2	−10·2	− 0·5	− 7·2	+ 1·9

[1] For the years prior to 1973, totals may not equal the sum of their components, due to the method used in rebasing to 1975 prices.
[2] Including purchases *less* sales of land and existing buildings. [3] Including transfer costs of land and buildings.
[4] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter 1977.


£ million, 1975 prices, seasonally adjusted
Sector
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Private
General government
Public corporations
Type of asset
Other new buildings and works
Plant and machinery
Dwellings
Vehicles, ships and aircraft
1974
1975
1976
1977
1978
1979

Indicators of fixed investment by manufacturing industry

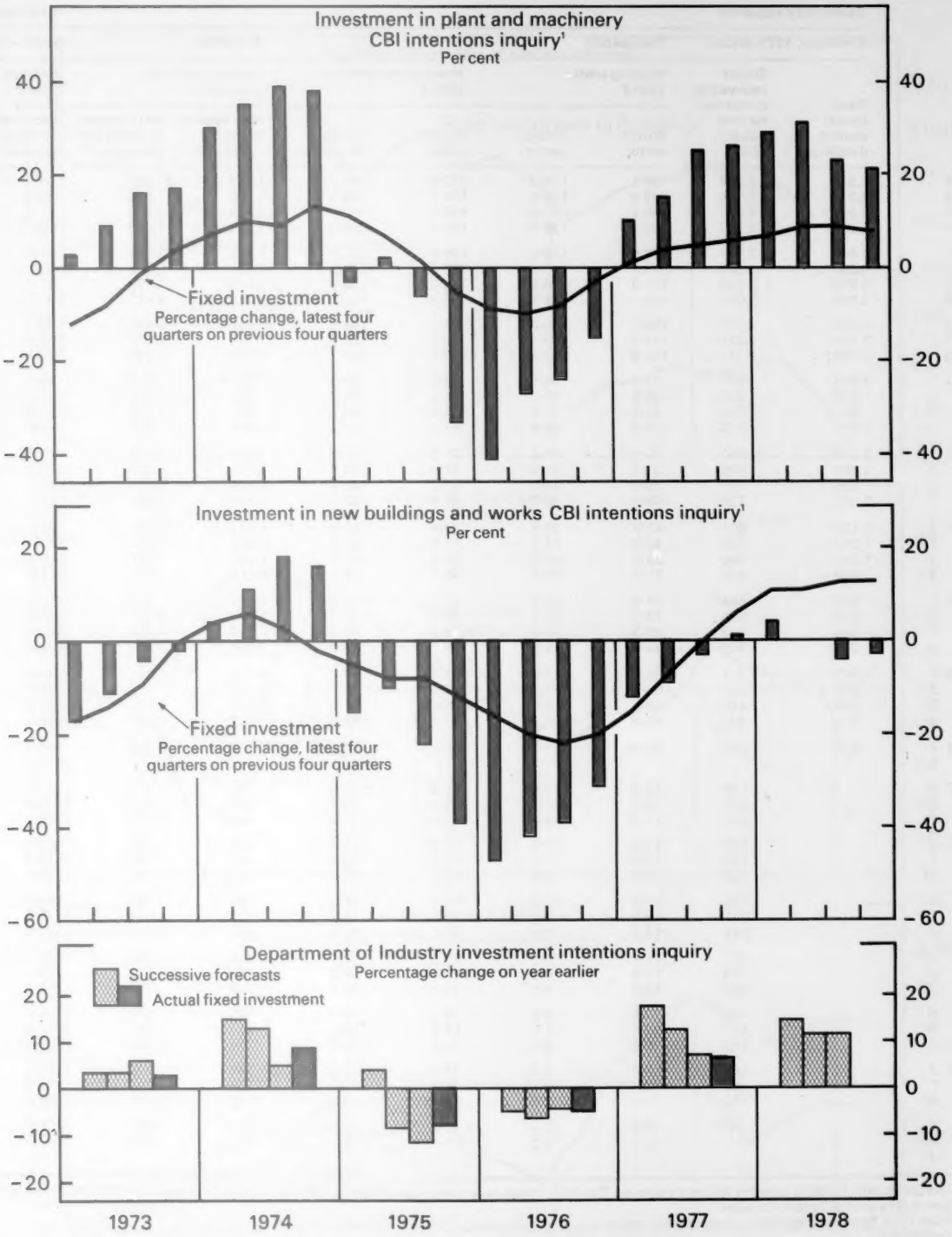
	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1968	3,641·8	2,568·9	+ *7*	..	860·9	+ *5*	..	1,368
1969	3,897·7	2,679·5	+ *4*	..	994·3	+*15*	..	1,507
1970	4,196·4	2,974·2	+*11*	..	1,000·2	+ *1*	..	1,410
1971	3,922·5	2,795·3	− *6*	..	905·2	− *9*	..	1,012
1972	3,397·8	2,420·4	−*13*	..	738·0	−*18*	..	1,003
1973	3,504·1	2,505·3	+ *4*	..	738·7	—	..	1,287
1974	3,822·0	2,821·3	+*13*	..	727·1	− *2*	..	1,076
1975	3,521·9	2,682·1	− *5*	..	639·9	−*12*	..	684
1976	3,345·3	2,591·7	− *3*	..	513·9	−*20*	..	797
1977	3,572·6	2,739·7	+ *6*	..	547·1	+ *6*	..	958†
1978	3,855·6	2,973·4	+ *9*	..	620·3	+*13*	..	1,054
1974 *1*	951·1	691·1	+ *9*	− 3	191·6	+ *7*	−15	270
2	948·3	697·0	+*15*	2	182·1	+ *2*	−10	271
3	947·5	702·9	+ *8*	− 6	174·8	− *9*	−22	274
4	975·1	730·3	+*19*	−33	178·6	− *5*	−39	262
1975 *1*	941·7	710·7	+ *3*	−41	176·7	− *8*	−47	209
2	900·8	685·7	− *2*	−27	167·6	− *8*	−42	164
3	849·9	646·2	− *8*	−24	155·9	−*11*	−39	183
4	829·5	639·5	−*12*	−15	139·7	−*22*	−31	128
1976 *1*	813·0	624·4	−*12*	10	135·0	−*24*	−12	180
2	827·8	640·8	− *7*	15	126·3	−*25*	− 9	194
3	848·7	659·5	+ *2*	25	126·9	−*19*	− 3	193
4	855·8	667·0	+ *4*	26	125·7	−*10*	1	229
1977 *1*	851·2	653·0	+ *5*	29	128·2	− *5*	4	213†
2	879·1	669·2	+ *4*	31	134·4	+ *6*	—	259
3	910·2	701·7	+ *6*	23	139·3	+*10*	− 4	242
4	932·1	715·8	+ *7*	21	145·2	+*16*	− 3	244
1978 *1*	923·1	712·3	+ *9*	21	142·0	+*11*	− 4	274
2	963·0	747·7	+*12*	18	146·5	+ *9*	− 7	269
3	981·7	752·3	+ *7*	13	161·7	+*16*	−15	268
4	987·8	761·1	+ *6*	10	170·1	+*17*	−11	234
1979 *1*	945·7	737·9†	+ *4*†	12	145·8†	+ *3*†	− 7	256[2]
2				12			− 6	

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
[2] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1968	probably some increase	about +5	less than +5	+ 6·7
1969	between +10 and +15	+10 to +15, perhaps top end	of the order of +10	+ 7·0
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·5
1972	little change, perhaps a rise	about −3	−7	−13·4
1973	+2 to +5	+2 to +5	+6	+ 3·1
1974	strong increase about +15	some +12 to +14	about +5	+ 9·1
1975	less than +5	−7 to −10	about −11 or −12	− 7·9
1976	of the order of −5	−5 to −8	−4 to −5	− 5·0
1977	between +15 and +20	+10 to +15	+7	+ 6·8
1978	between +12 and +17	+10 to +13	+10 to +13	
1979	+4 to +8	+4 to +8		

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition, the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these inquiries are not included in the table.) An article, 'Investment intentions survey: a 10 year review', was published in *Trade and Industry* for 27 October 1978. In this article the table is expanded to include all the inquiries for manufacturing industry, and a similar table is included for the inquiries into the distributive and service industries.

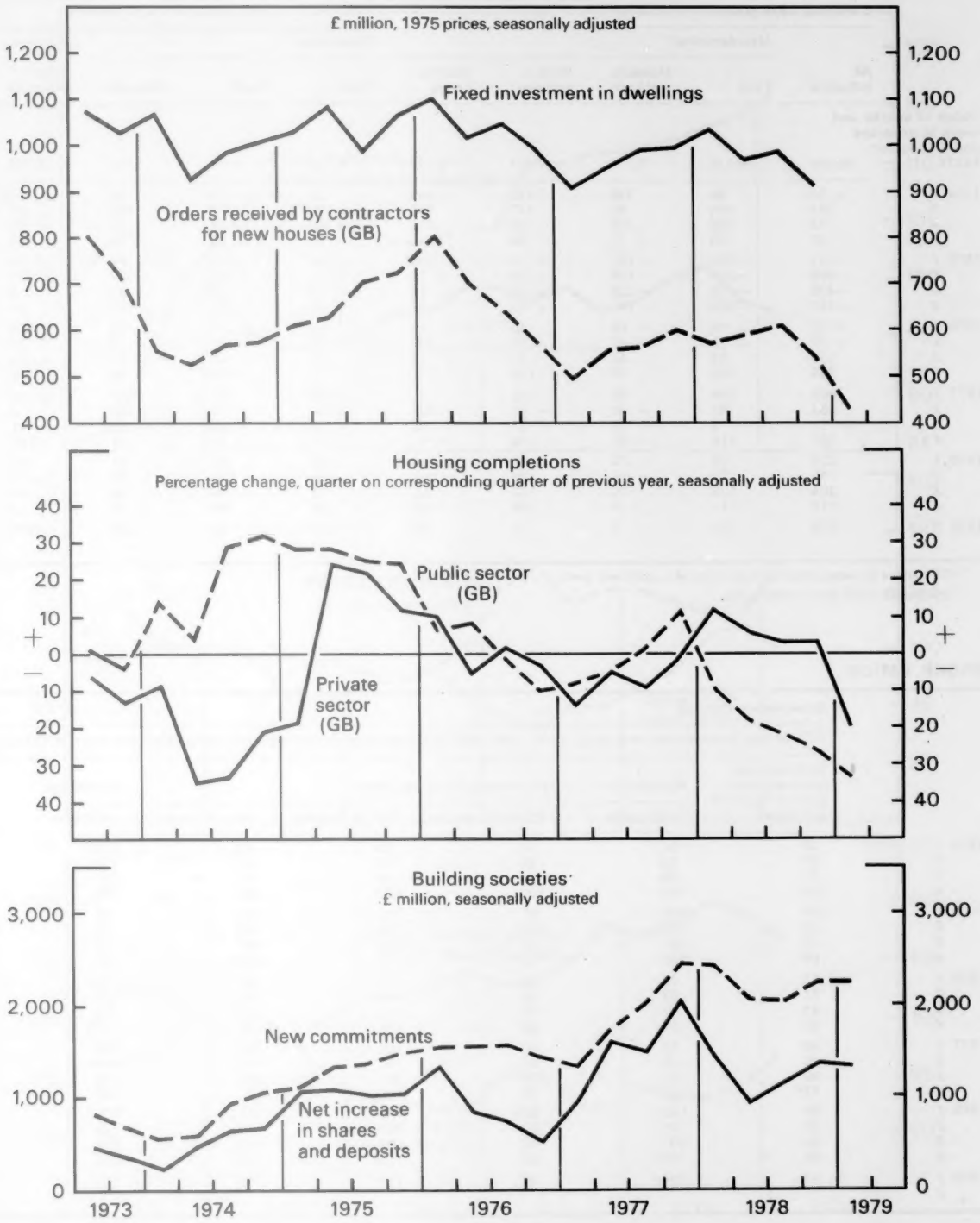


[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1975 prices		Thousands				£ million		1975 =100
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved [1]
			Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	
1968	4,515	3,787	200·1	194·3	222·0	191·7	1,480	767	37·4
1969	4,317	3,064	166·8	176·6	181·7	185·1	1,580	895	39·3
1970	3,967	3,093	165·1	153·8	170·3	180·1	2,188	1,490	41·8
1971	4,218	3,147	207·4	136·9	191·6	158·9	3,013	2,034	48·1
1972	4,443	3,507	228·0	123·0	196·5	122·8	3,802	2,193	63·3
1973	4,281	3,320	215·7	112·8	186·6	107·5	3,254	2,162	86·2
1974	3,978	2,224	105·9	146·1	140·9	128·6	3,115	1,993	91·4
1975	4,160	2,663	149·1	173·8	150·8	162·3	5,302	4,172	100·0 [2]
1976	4,152	2,712	154·7	170·8	152·2	163·0	6,089	3,405	108·4
1977	3,841	2,214†	134·8	132·1	140·3	162·5	7,524	6,099	119·0
1978	3,904†	2,311	157·3	107·4	148·6	130·7	8,710	4,879	142·6
1974 *1*	1,063	553	33·8	34·1	44·3	29·5	533	218	90·5
2	929	526	25·8	39·7	31·9	30·8	598	456	90·0
3	981	568	22·5	36·5	30·9	33·9	931	634	92·3
4	1,005	578	23·8	35·8	33·8	34·4	1,053	685	92·6
1975 *1*	1,030	610	33·1	41·4	35·8	37·8	1,119	1,054	95·3
2	1,082	625	37·4	37·8	39·6	39·3	1,311	1,085	100·0
3	986	702	38·0	43·9	37·6	42·5	1,373	1,012	102·1
4	1,062	726	40·6	50·7	37·8	42·7	1,499	1,021	102·7
1976 *1*	1,100	801	42·0	49·8	39·4	40·6	1,537	1,341	104·3
2	1,019	700	42·0	44·3	37·8	42·4	1,552	824	107·9
3	1,045	640	39·3	44·3	38·3	41·5	1,581	727	110·3
4	988	572	31·4	32·4	36·7	38·5	1,419	513	111·5
1977 *1*	908	494†	29·9	30·3	33·7	37·5	1,337	963	112·7
2	949	558	34·7	32·7	35·8	40·3	1,743	1,599	116·6
3	989	563	35·3	34·6	34·8	41·8	2,018	1,487	120·5
4	995	600	34·9	34·5	36·0	42·9	2,426	2,050	124·5
1978 *1*	1,033†	571	35·5	27·2	37·8	33·8	2,402	1,415	130·5
2	970	587	39·6	30·0	37·9	33·1	2,050	915	138·0
3	985	610	38·3	26·0	35·8	32·4	2,030	1,168	148·2
4	916	542	43·9	24·2	37·1	31·4	2,228	1,381	157·6
1979 *1*	823	426 [3]	26·4†	17·2	30·4†	22·2	2,231	1,335	166·1
2									
1977 *O*	..	179	12·3	12·4	12·3	14·9	775	676	123·1
N	..	200	10·8	11·1	11·3	13·7	809	709	124·5
D	..	221	11·8	11·0	12·4	14·3	842	665	126·1
1978 *J*	..	192	11·6	10·5	12·9	11·7	813	525	128·5
F	..	190	11·6	7·8	12·2	10·9	823	441	129·2
M	..	189	12·3	8·9	12·7	11·2	766	449	133·5
A	..	188	12·9	10·3	12·4	11·0	720	299	135·8
M	..	207	12·1	9·8	12·4	11·2	686	300	136·9
J	..	193	14·6	9·9	13·1	10·9	644	316	141·5
J	..	191	11·8	9·5	12·5	12·0	635	350	144·7
A	..	215	11·6	8·0	11·4	10·2	685	362	148·7
S	..	204	14·9	8·5	11·9	10·2	710	456	151·2
O	..	189	14·5	8·7	12·2	10·3	720	436	154·7
N	..	193	14·1	7·5	11·5	10·5	717	441	157·4
D	..	160	15·3	8·0	13·4	10·6	791	504	161·2
1979 *J*	..	123	7·4	4·8	10·2	6·9	788	502	162·2
F	..	150	10·4	5·8	10·9	7·6	731	361	167·0
M	..	153 [3]	8·6†	6·6	9·3†	7·7	712	472	168·8
A	..	145 [3]	10·0	7·2	10·8	8·3	722	353	173·9
M	..		10·7	6·2	11·0	8·1	751	454	179·5
J	..								

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.
[3] Provisional.


£ million, 1975 prices, seasonally adjusted
1,200
1,100
1,000
900
800
700
600
500
400
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
40
30
20
10
+
0
—
10
20
30
40
Public sector (GB)
Private sector (GB)
Building societies
£ million, seasonally adjusted
3,000
2,000
1,000
0
New commitments
Net increase in shares and deposits
1973
1974
1975
1976
1977
1978
1979

Stock changes

Seasonally adjusted

£ million, 1975 prices

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Value of stocks and work in progress end-December 1977[2]	34,469	19,995	7,277	7,321	5,397	7,722	3,181	4,541	6,752
1974 *1*	— 34†	54	336	−138	−145	25	— 63	88	−113†
2	744	454	63	147	243	209	53	156	81
3	718	685	274	108	304	— 33	— 94	61	66
4	31	94	— 15	— 65	175	— 20	— 76	56	— 43
1975 *1*	−471	−258	−292	— 77	109	−189	−105	— 84	— 24
2	−509	−230	−156	— 45	— 28	−202	— 95	−107	— 77
3	−476	−476	−338	— 90	— 48	— 5	40	— 45	5
4	−167	−257	−140	— 60	— 57	49	60	— 11	40
1976 *1*	−102	— 13	— 88	42	34	50	7	43	−139
2	— 77	— 29	— 47	38	— 20	— 76	— 67	— 9	28
3	160	99	48	37	14	127	46	81	— 66
4	264	259	23	104	131	43	27	16	— 38
1977 *1*	402	234	92	123	21	199	117	82	— 31
2	289	97	— 38	— 69	204	184	4	180	8
3	— 73	— 5	— 23	— 33	50	−139	— 59	— 80	71
4	331	116	— 47	174	— 11	51	— 33	84	164
1978 *1*	323	38	— 26	17	48	143	62	81	142
2	295	272	— 15	128	158	66	128	— 62	— 43
3	304	175	20	102	52	99	54	45	30
4	112	111	9	199	— 97	30	89	— 59	— 29
1979 *1*	378	83	— 1	27	56	187	87	100	108
2									

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

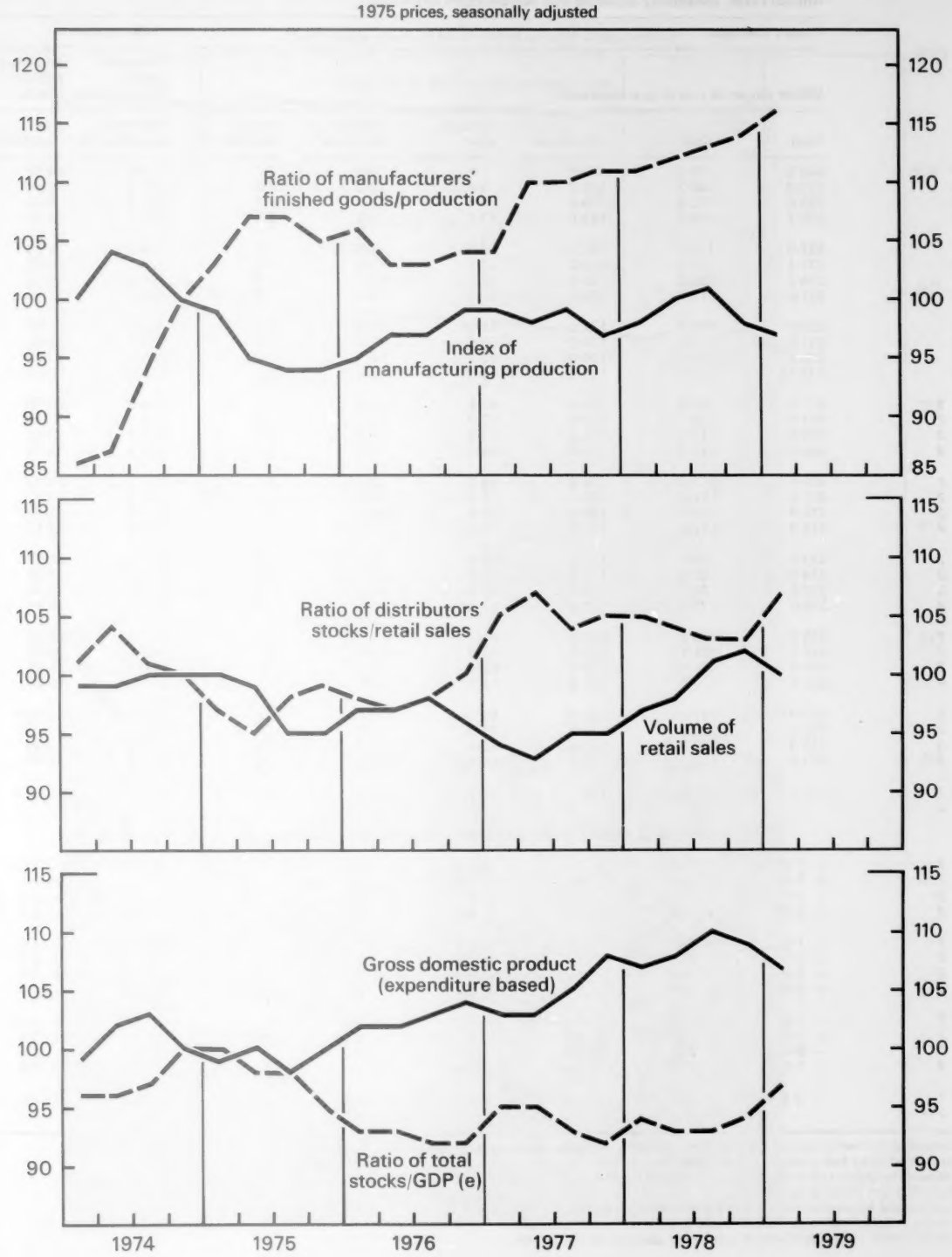
[2] Unadjusted 1975 price stock levels.

Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (e), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1974 *1*	96	94	96	98	86	101
2	96	92	93	96	87	104
3	97	96	97	98	94	101
4	100	100	100	100	100	100
1975 *1*	100	100	97	100	103	97
2	98	103	100	104	107	95
3	98	102	97	103	107	98
4	95	100	94	102	105	99
1976 *1*	93	99	93	102	106	98
2	93	97	90	100	103	97
3	92	97	90	101	103	98
4	92	97	89	101	104	100
1977 *1*	95	98	90	102	104	105
2	95	99	91	102	110	107
3	93	99	90	101	110	104
4	92†	100	90	105	111	105
1978 *1*	94	100	90†	105	111†	105
2	93	99	87	104	112	104
3	93	100	87	105	113	103
4	94	103†	89	110†	114	103
1979 *1*	97	104	90	112	116	107
2						

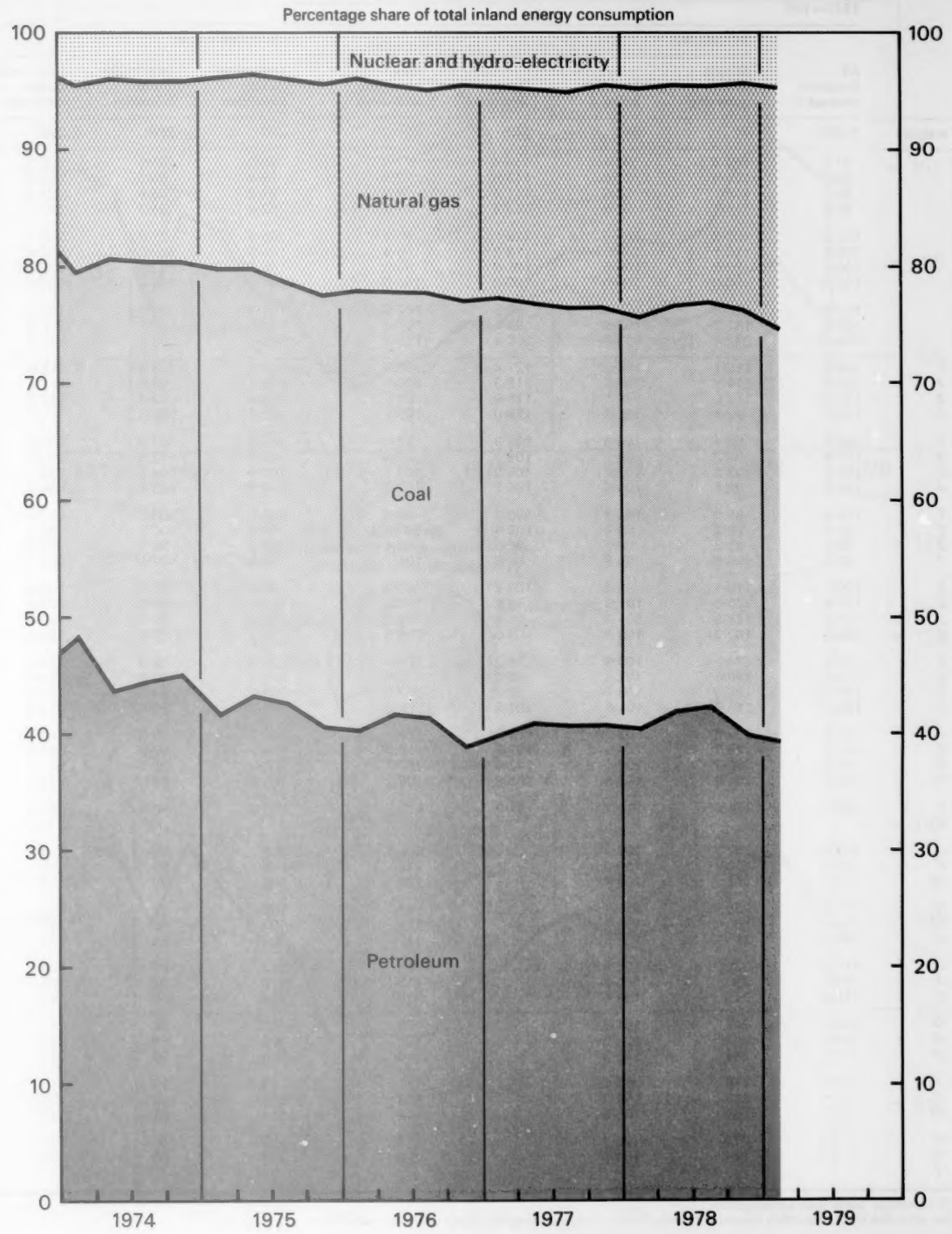

1975 prices, seasonally adjusted
120
115
110
105
100
95
90
85
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP (e)
1974
1975
1976
1977
1978
1979

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tonnes of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available(GB)[6]	Gas available(GB)[7]
1967	303·2	166·3	123·1	2·1	9·0	2·7	177·8	4·37
1968	312·9	166·7	129·2	4·8	10·2	2·0	193·6	4·88
1969	323·0	162·8	138·4	9·4	10·7	1·7	200·5	5·40
1970	336·3	156·8	149·8	17·8	9·5	2·4	211·6	6·30
1971	332·9	140·0	152·4	28·8	9·9	1·8	215·9	8·25
1972	337·4	121·8	162·2	41·0	10·6	1·8	224·1	10·82
1973	354·2	133·2	164·5	44·4	10·1	2·0	241·0	12·04
1974	337·9	117·7	153·1	52·9	12·1	2·1	235·5	13·53
1975	326·9	120·6	137·1	56·3	10·9	2·0	234·2	13·90
1976	331·5	123·0	134·2	59·5	12·9	1·9	236·7	14·41
1977	338·2	122·4	136·8	62·7	14·3	2·0	240·2	15·42
1978	339·1†	119·4†	139·2	65·0†	13·4	2·1	246·3†	15·60†
1974 *1*	311·5	96·3	150·8	50·1	11·5	2·8	216·3	13·20
2	342·4	126·7	149·4	52·6	12·4	1·3	237·1	13·49
3	350·9	125·9	155·8	54·9	12·3	2·0	244·2	13·66
4	346·9	122·0	156·3	54·1	12·1	2·4	244·3	13·78
1975 *1*	331·1	127·2	136·8	54·2	10·8	2·1	236·2	13·73
2	331·4	121·2	143·0	55·2	10·4	1·6	237·3	13·71
3	326·4	116·9	139·2	57·4	10·8	2·1	234·7	13·97
4	318·9	117·2	129·2	58·5	12·0	2·0	228·5	14·17
1976 *1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9	14·27
2	334·6	120·8	139·5	59·2	12·5	2·6	240·4	14·36
3	330·9	120·5	136·7	57·6	14·6	1·5	244·3	14·46
4	328·0	125·2	126·8	61·0	13·4	1·6	231·4	14·56
1977 *1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9	14·95
2	337·7	121·1	137·7	62·0	14·5	2·4	242·9	15·32
3	340·5	121·6	138·1	63·4	15·7	1·7	248·3	15·58
4	337·5	120·4	137·3	64·3	13·1	2·4	231·9	15·81
1978 *1*	331·4†	116·7†	133·4†	64·9†	14·6	1·8	237·3	15·64†
2	341·2	118·7	142·9	64·2	13·3	2·1	248·1†	15·38
3	338·3	117·2	143·6	62·4	13·2	1·9	253·9	15·49
4	343·4	125·2	136·7	66·5	12·5	2·5	245·7	15·90
1979 *1*	343·3	121·3	134·1	71·8	14·5	1·6	252·7	15·95
2								
	Percentage change, quarter on corresponding quarter of previous year							
1976 *1*	*+ 0·4*	*− 1·3*	*− 2·2*	*+11·4*	*+ 0·9*	*− 9·5*	*− 2·2*	*+ 3·9*
2	*+ 1·0*	*− 0·3*	*− 2·5*	*+ 7·2*	*+20·2*	*+62·5*	*+ 1·3*	*+ 4·7*
3	*+ 1·4*	*+ 3·1*	*− 1·8*	*+ 0·3*	*+35·2*	*−23·6*	*+ 4·1*	*+ 3·5*
4	*+ 2·9*	*+ 6·8*	*− 1·9*	*+ 4·3*	*+11·7*	*−20·3*	*+ 1·3*	*+ 2·8*
1977 *1*	*+ 1·3*	*+ 0·6*	*—*	*+ 1·2*	*+27·5*	*−15·8*	*+ 3·0*	*+ 4·8*
2	*+ 0·9*	*+ 0·2*	*− 1·3*	*+ 4·7*	*+16·0*	*− 7·7*	*+ 1·0*	*+ 6·7*
3	*+ 2·9*	*+ 0·9*	*+ 1·0*	*+10·1*	*+ 7·5*	*+13·3*	*+ 1·6*	*+ 7·7*
4	*+ 2·9*	*− 3·8*	*+ 8·3*	*+ 5·4*	*− 2·2*	*+50·0*	*+ 0·2*	*+ 8·6*
1978 *1*	*− 1·6*	*− 7·6†*	*+ 0·5†*	*+ 6·2†*	*+ 5·0*	*+12·5*	*− 0·2*	*+ 4·6†*
2	*+ 1·0†*	*− 2·0*	*+ 3·8*	*+ 3·6*	*− 8·3†*	*−12·5†*	*+ 2·1†*	*+ 0·4*
3	*− 0·7*	*− 3·6*	*+ 4·0*	*− 1·6*	*−15·9*	*+11·8*	*+ 2·3*	*− 0·6*
4	*+ 1·8*	*+ 4·0*	*− 0·4*	*+ 3·4*	*− 4·6*	*+ 4·2*	*+ 6·0*	*+ 0·6*
1979 *1*	*+ 3·6*	*+ 3·9*	*+ 0·5*	*+10·6*	*− 0·7*	*−11·1*	*+ 6·5*	*+ 2·0*
2								

[1] Converted to metric tonnes. Temperature correction has been introduced for natural gas. Details are given in *Energy Trends,* May 1978.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or re-injected.
[5] Nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1974
1975
1976
1977
1978
1979

Index of industrial production

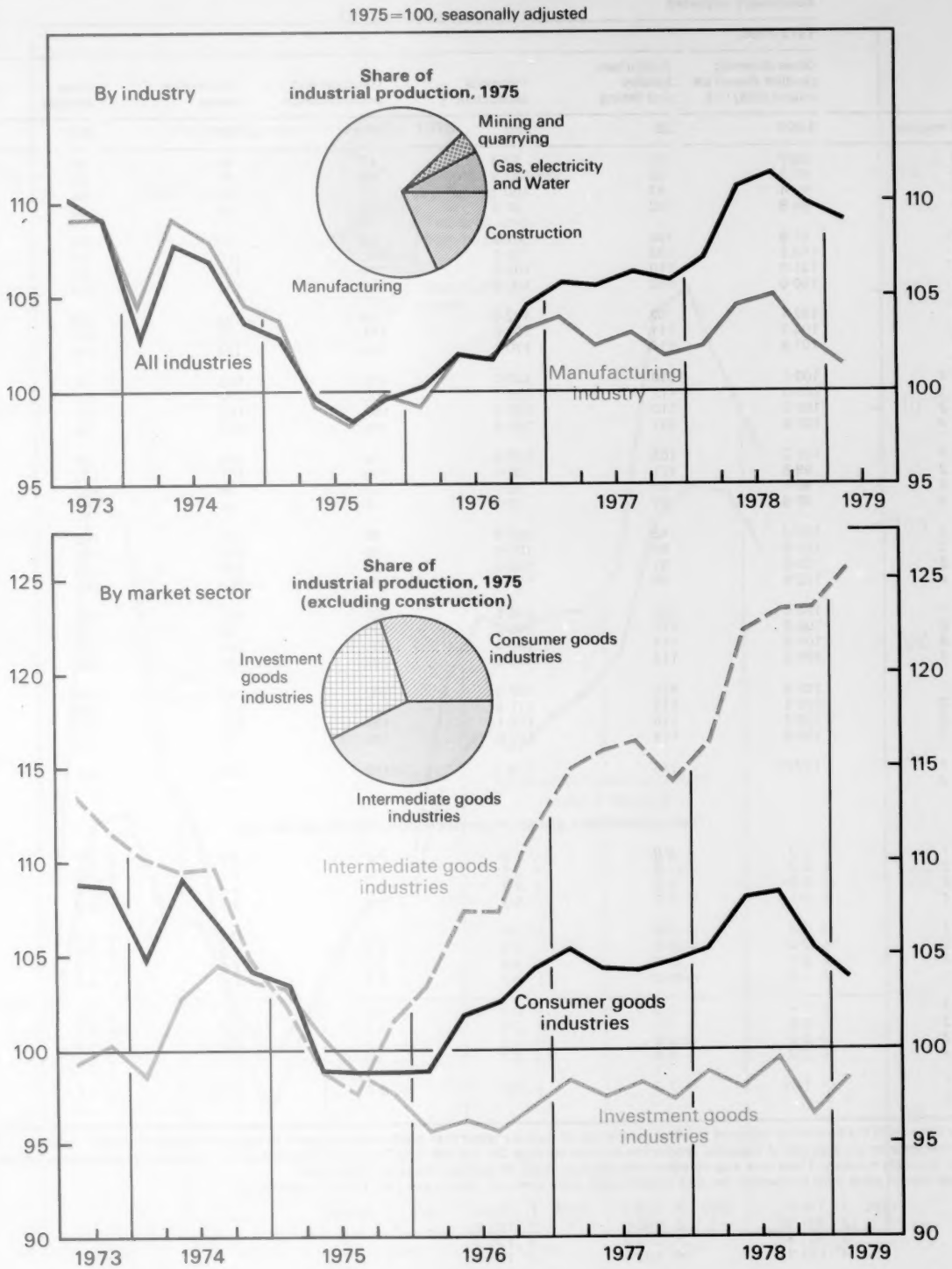
Seasonally adjusted

1975=100

		By industry				By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1975 weights	*1,000*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1968	97·0	132·4	94·1	114·4	77·0	86·9	90·6	100·7
1969	99·6	123·9	97·6	113·5	80·9	89·4	95·7	102·9
1970	99·7	119·1	98·0	111·4	84·1	91·0	95·6	102·9
1971	99·8	119·1	97·4	113·3	87·3	93·3	93·7	102·1
1972	102·0	100·2	100·0	115·4	93·6	99·9	91·2	104·1
1973	109·5	110·1	108·3	118·2	99·3	108·0	99·0	112·6
1974	105·1	89·9	106·5	105·8	99·2	106·1	102·1	106·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	125·8	101·4	98·6	102·9	101·9	96·1	107·5
1977	105·8	187·7	102·8	98·4†	107·0	104·6	97·9	115·4
1978	109·7†	232·4	103·6	105·4	110·3	106·8	98·2	121·4
1973 *1*	109·2	115·1	106·9	121·4	98·2	106·2	98·4	111·6
2	109·7	114·7	108·2	118·3	100·1	108·4	98·0	113·4
3	110·1	113·0	109·1	118·0	98·7	108·8	99·3	113·6
4	109·0	97·6	109·2	115·0	100·1	108·7	100·3	111·7
1974 *1*	102·6	59·4	104·5	109·9	92·0	104·8	97·5	100·2
2	107·6	98·2	109·1	108·1	98·6	109·0	102·9	109·5
3	106·9	102·2	108·0	105·2	103·1	106·6	104·5	109·6
4	103·5	99·8	104·6	100·2	102·9	104·1	103·6	104·9
1975 *1*	102·6	95·5	103·8	100·7	99·3	103·5	103·3	102·4
2	99·5	98·2	99·2	100·4	100·6	98·9	100·6	98·8
3	98·4	98·3	98·1	99·6	98·4	98·8	98·6	97·5
4	99·5	108·0	98·8	99·3	101·7	98·8	97·6	101·3
1976 *1*	100·1	110·1	99·1	100·2	103·5	98·9	95·7	103·4
2	101·8	120·0	101·7	97·8	102·4	101·8	96·2	107·4
3	101·6	125·9	101·7	96·5	100·3	102·5	95·6	107·4
4	104·5	147·3	103·2	100·0	105·2	104·3	97·0	111·6
1977 *1*	105·6	174·7	103·9	96·2†	106·3	105·3	98·3	114·8
2	105·5	190·1	102·4	96·8	108·6	104·3	97·5	115·9
3	106·3†	190·3	103·0	99·0	107·8	104·2	98·3	116·4
4	105·9	195·8	101·8	101·3	105·5	104·7	97·4	114·3
1978 *1*	106·9	209·5†	102·2†	101·3	107·7	105·3	98·8	116·3†
2	110·7	228·7	104·5	107·5	111·9	108·1	97·8	122·3
3	111·5	236·3	105·1	107·4	112·7	108·3	99·5	123·3
4	109·9	254·9	102·6	105·6	108·8	105·3†	96·5†	123·5
1979 *1*	109·1	274·4	101·4	97·9	117·5	103·8	98·4	125·5
2								
1978 *J*	106·8†	207	102·3	..	107	106	99	116
F	107·2	216	102·0	..	110	105	99	118
M	106·7	206	102·4†	..	105	105	99	116
A	111·0	220†	105·1	..	115	108	98	123
M	110·0	231	103·5	..	111	107	98	121
J	111·1	234	104·9	..	110	109†	98	123
J	111·6	236	105·1	..	115	107	100	125
A	112·1	237	105·9	..	113	110	100	123
S	110·8	235	104·4	..	110	108	98	122
O	108·7	241	101·8	..	108	105	96	121
N	109·7	260	102·5	..	105	106	96	123
D	111·1	264	103·3	..	114	106	98	126
1979 *J*	103·6	278	93·4	..	117	99	92	117
F	111·4	282	104·2	..	118	105	102†	130†
M	112·3	264	106·5	..	118	108	101	130
A	113·2	276	105·3	..	117	107	101	129
M	113·9	297	104·6	..	120	107	99	133
J				..				

[1] All industries other than construction.

[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.


1975=100, seasonally adjusted
By industry
Share of industrial production, 1975
Mining and quarrying
Gas, electricity and Water
Construction
Manufacturing
All industries
Manufacturing industry
110
105
100
95
1973
1974
1975
1976
1977
1978
1979
By market sector
Share of industrial production, 1975 (excluding construction)
Consumer goods industries
Investment goods industries
Intermediate goods industries
Intermediate goods industries
Consumer goods industries
Investment goods industries
125
120
115
110
105
100
95
90

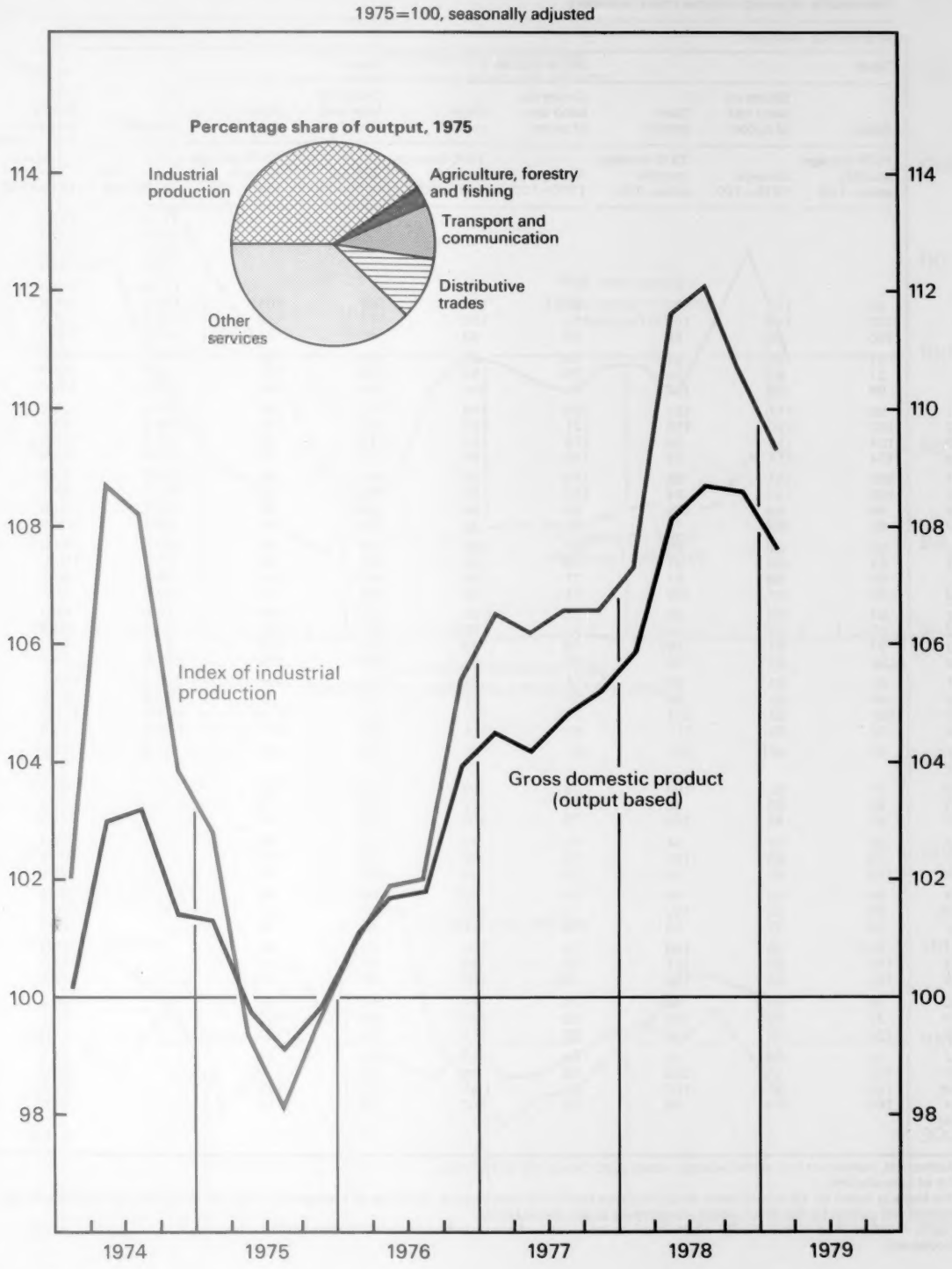
Index numbers of output

	Seasonally adjusted					
	1975=100					
	Gross domestic product (based on output data)[1,2] §	Agriculture, forestry and fishing	Industrial production[1] §	Transport and communication	Distributive trades	Other services
1975 weights	*1,000*	*28*	*407*	*88*	*101*	*376*
1968	90·1	92	97·3	80	90	85
1969	91·9	92	99·9	84	91	85
1970	93·4	97	100·1	87	93	88
1971	94·8	102	99·8	89	94	90
1972	97·8	106	101·8	94	99	93
1973	103·8	109	110·1	101	106	97
1974	101·9	110	105·7	101	103	97
1975	100·0	100	100·0	100	100	100
1976	102·1	93	102·5	99	101	103
1977	104·7	111	106·5	101	99	104
1978	107·8	116	110·4	104	104	106
1974 *1*	100·1	110	102·0	100	103	97
2	103·0	112	108·7	102	102	97
3	103·2	110	108·2	101	104	97
4	101·4	107	103·9	101	103	98
1975 *1*	101·3	103	102·8	102	103	99
2	99·8	101	99·4	100	101	100
3	99·1	99	98·1	100	98	100
4	99·8	97	99·6	98	98	101
1976 *1*	101·0	93	100·9	98	101	103
2	101·7	89	101·9	98	101	104
3	101·8	91	102·0	99	102	103
4	103·9	98	105·4	101	101	104
1977 *1*	104·5	106	106·5	102	100	104
2	104·2	111	106·2	100	98	104
3	104·8	114	106·6	101	100	104
4	105·2	114	106·6	102	100	105
1978 *1*	105·9	114	107·3	102	102	106
2	108·1	116	111·6	104	103	106
3	108·7	116	112·1	104	106	106
4	108·6	116	110·6	105	107	107
1979 *1*	107·6†	116	109·3	103	105†	107
2						
	Percentage change, quarter on corresponding quarter of previous year					
1976 *1*	*− 0·2*	*− 9·8*	*− 1·9*	*− 3·6*	*− 2·0*	*+ 3·8*
2	*+ 1·9*	*−11·9*	*+ 2·5*	*− 1·8*	*+ 0·1*	*+ 3·8*
3	*+ 2·7*	*− 8·2*	*+ 3·9*	*− 1·3*	*+ 3·8*	*+ 3·0*
4	*+ 4·1*	*+ 0·7*	*+ 5·9*	*+ 2·4*	*+ 3·1*	*+ 3·0*
1977 *1*	*+ 3·4*	*+13·8*	*+ 5·6*	*+ 4·2*	*− 0·9*	*+ 1·3*
2	*+ 2·4*	*+24·6*	*+ 4·3*	*+ 2·0*	*− 3·2*	*+ 0·5*
3	*+ 2·9*	*+25·8*	*+ 4·6*	*+ 2·3*	*− 1·8*	*+ 1·0*
4	*+ 1·2*	*+16·9*	*+ 1·1*	*+ 0·9*	*− 1·2*	*+ 1·0*
1978 *1*	*+ 1·4*	*+ 7·9*	*+ 0·7*	*+ 0·3*	*+ 2·1*	*+ 1·6*
2	*+ 3·8*	*+ 4·5*	*+ 5·0*	*+ 3·8*	*+ 5·7*	*+ 1·8*
3	*+ 3·7*	*+ 2·0*	*+ 5·1*	*+ 2·9*	*+ 5·9*	*+ 1·9*
4	*+ 3·3*	*+ 1·9*	*+ 3·7*	*+ 3·9*	*+ 6·4*	*+ 2·1*
1979 *1*	*+ 1·6*†	*+ 1·5*	*+ 1·9*	*+ 0·7*	*+ 3·5*†	*+ 1·1*
2						

[1] As from 1970 the figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[2] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976	*1*	100·8	1977	*1*	103·1	1978	*1*	103·9	1979	*1*	104·5†
	2	101·3		*2*	102·5		*2*	105·8			
	3	101·3		*3*	103·2		*3*	106·3			
	4	102·9		*4*	103·4		*4*	105·9			

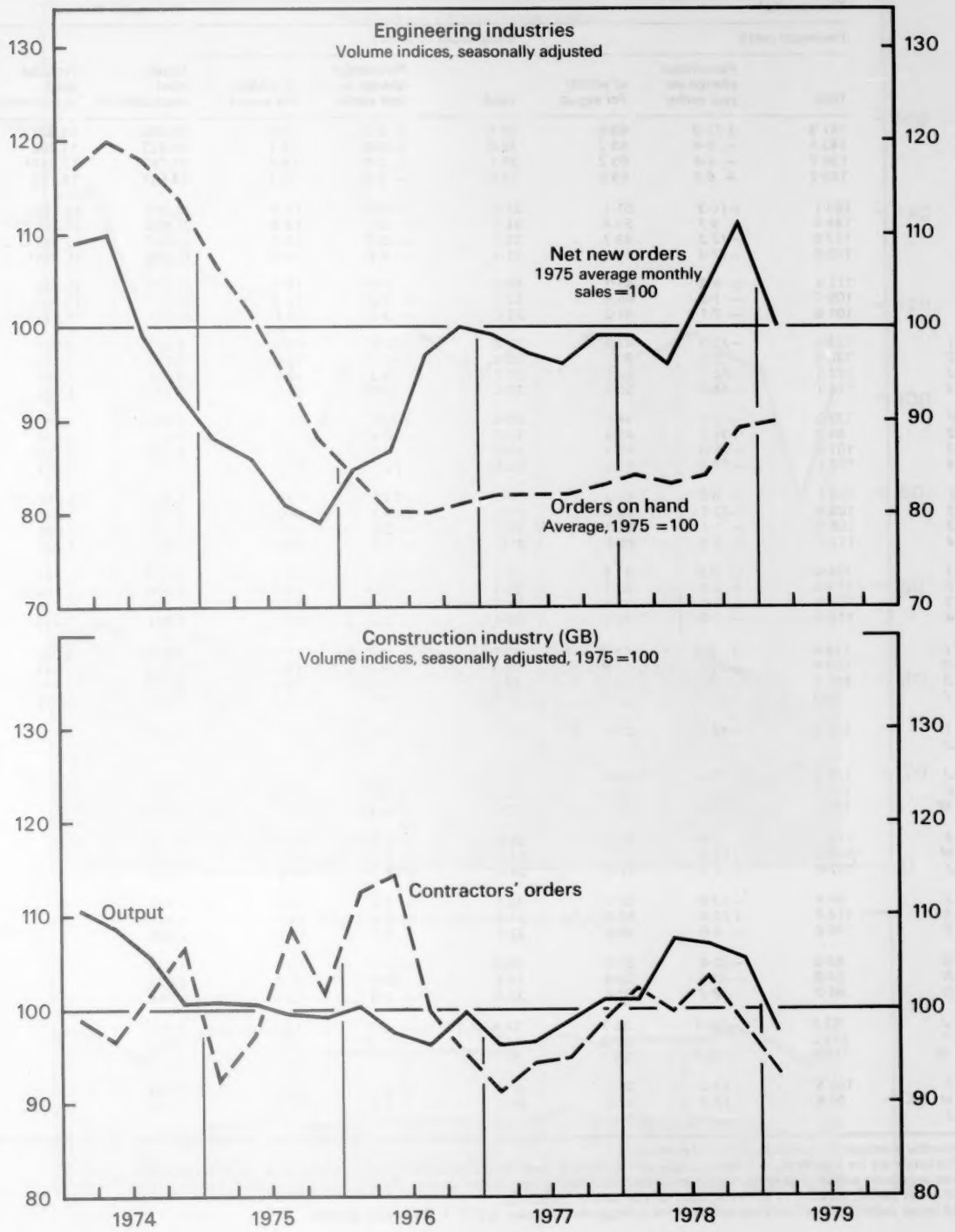

1975=100, seasonally adjusted
Percentage share of output, 1975
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
Index of industrial production
Gross domestic product (output based)
114
112
110
108
106
104
102
100
98
1974
1975
1976
1977
1978
1979

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3, 4]	Orders received
	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	1975=100	1975=100
1968	..	..	..	..	..	..	..	117·9	142·4
1969	..	..	..	..	..	..	..	118·6	133·7
1970	..	..	..	..	..	..	..	115·2	131·1
1971	..	..	..	..	..	..	..	116·2	139·2
1972	..	..	..	..	..	..	..	117·4†	146·3
1973	99	113	116	120	121	100	105†	118·1	141·4
1974	102	114	103	115	102	112	106	106·0	101·1
1975	100	88	84	87	83	90	84	100·0	100·0
1976	97	81	92	74	87	94	104	98·5	105·5
1977	97	83	98	75	93	100	109	98·1	94·7†
1978[6]	99	89	102	83	101	100	106	105·2	100·7
1974 *1*	98	117	109	120	103	111	122	110·4	98·9
2	102	120	110	121	107	117	115	108·7	96·7
3	104	118	99	119	102	115	93	105·7	101·8
4	104	114	93	115	94	112	92	100·4	106·8
1975 *1*	105	107	88	108	89	106	85	100·7	92·5
2	100	102	86	102	85	102	88	100·4	97·1
3	98	95	81	94	80	96	84	99·6	108·8
4	96	88	79	87	79	90	80	99·3	101·6
1976 *1*	96	84	85	83	83	86	90	100·3	112·6
2	97	80	87	79	86	82	89	97·6	114·5
3	96	80	97	77	90	87	114	96·3	99·7
4	97	81	100	74	90	94	123	99·9	95·2
1977 *1*	97	82	99	74	95	97	109	96·0†	91·0
2	97	82	97	73	89†	101	116	96·5	94·3†
3	97	82	96†	73	93	100	105	98·7	94·8
4	96	83	99	75	97	100	104	101·0	98·7
1978[6] *1*	99	83	99	75	95	100	109	101·0	102·3
2	98	83	96	75	95	99	99	107·5	99·5
3	100	84	103	76†	100	101	112†	107·0	103·8
4	99	89	111	83	114	100	104	105·3	98·6
1979 *1*	97	90†	100	82	92	106	119	97·6[5]	93·0[5]
2									
1977 *O*	97	82	100	73	95	100	110	..	83·7†
N	93	83	95	74	95	99	93	..	101·2
D	97	83	104	75	101	100	110	..	111·3
1978[6] *J*	96	83	94	75	92	99	99	..	102·3
F	98	85	109	75	96	103	140	..	106·6
M	103	83	94	75	96	100	90	..	99·1
A	96	83	94	75	93†	100	96	..	95·4
M	99	84	102	75	100	100	107	..	105·2
J	99	83	93	75	92	99	95	..	97·4
J	97†	83	100	76	101	98	96	..	95·2
A	100	83	101	76	98	97	107	..	110·0
S	102	84	109	76†	100	101	132†	..	106·4
O	96	84	98†	76	98	100	98	..	106·6
N	97	88	126	82	134	100†	106	..	91·1
D	102	89	109	83	110	100	107	..	93·6
1979[6] *J*	85	90	93	84	90	102	99	..	83·8
F	102	91	106	84	95	104	130		105·3
M	104	90†	102	82	91	106	128		89·9[5]
A	103	90	99	82	92	106	116	..	93·0[5]
M									
J									

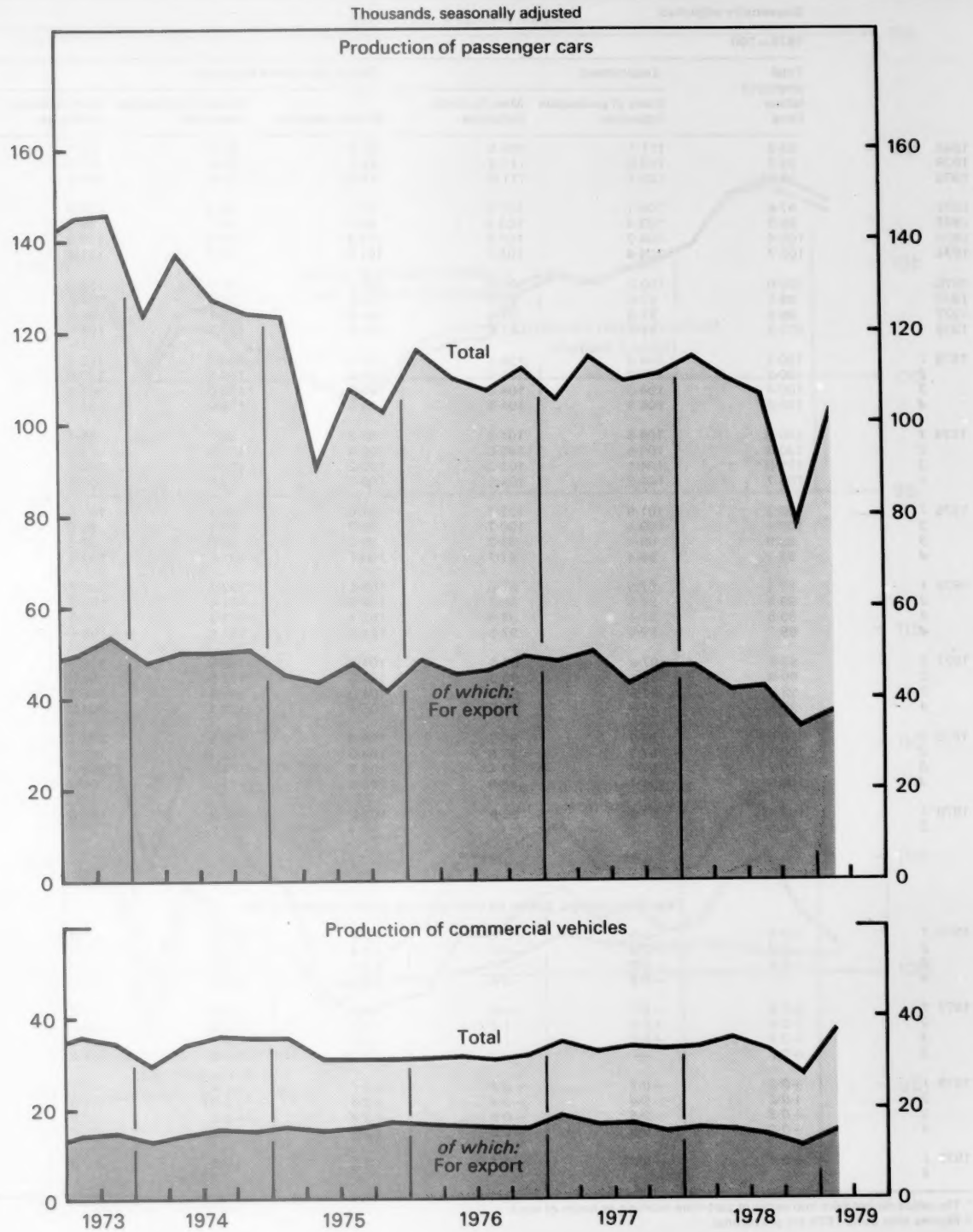
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.


Engineering industries
Volume indices, seasonally adjusted
Net new orders
1975 average monthly sales =100
Orders on hand
Average, 1975 =100
Construction industry (GB)
Volume indices, seasonally adjusted, 1975 =100
Output
Contractors' orders
130
120
110
100
90
80
70
1974
1975
1976
1977
1978
1979

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars§			Commercial vehicles§				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1968	151·3	*+17·0*	66·9	34·1	*+ 6·3*	12·5	26,255	16,835
1969	143·1	*− 5·4*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
1972	160·1	*+10·3*	51·1	34·0	*−10·5*	11·3	25,293	16,750
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977	109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20,411	15,300
1978	101·9	*− 7·1*	41·2	32·0	*− 3·5*	14·1	20,311	15,583
1974 *1*	123·4	*−19·0*	47·9	29·2	*−17·5*	12·3	5,218	4,357
2	136·9	*− 2·2*	50·1	33·9	*+ 0·9*	14·0	5,784	4,560
3	127·1	*−12·3*	50·1	35·7	*− 0·3*	15·6	5,763	4,252
4	124·1	*−14·7*	50·6	35·4	*+ 3·9*	14·9	5,539	4,379
1975 *1*	123·2	*− 0·1*	44·9	35·6	*+22·1*	15·7	6,102	4,267
2	89·3	*−34·8*	43·5	30·5	*−10·1*	14·6	4,661	3,695
3	107·9	*−15·0*	47·8	30·4	*−14·9*	15·2	4,231[5]	3,715[5]
4	102·1	*−17·7*	41·2	30·4	*−14·1*	16·7	4,719	3,769
1976 *1*	116·1	*− 5·8*	48·2	30·6	*−14·2*	16·1	5,480	4,076
2	109·6	*+22·7*	44·9	31·4	*+ 3·1*	16·0	5,731	3,887
3	106·8	*− 1·1*	45·9	30·3	*− 0·2*	15·6	5,375	3,785
4	112·1	*+ 9·8*	49·4	31·7	*+ 4·3*	15·5	5,650	4,056
1977 *1*	104·6	*− 9·9*	47·8	34·6	*+13·1*	18·3	5,417	3,744
2	114·8	*+ 4·8*	50·1	32·1	*+ 2·2*	16·1	4,908	3,758
3	108·9	*+ 2·0*	42·8	33·6	*+10·9*	16·5	5,419	3,974
4	110·3	*− 1·5*	46·9	32·4	*+ 2·3*	14·7	4,641	3,824
1978 *1*	114·9	*+ 9·8*	46·9	33·2	*− 4·0*	15·7	4,957	4,202
2	109·4	*− 4·7*	41·9	35·0	*+ 8·9*	15·2	5,278	3,949
3	105·7	*− 2·9*	42·2	32·3	*− 4·0*	13·9	4,757	3,910
4	77·6	*−29·7*	33·9	27·7	*−14·5*	11·6	5,245	3,522
1979 *1*	102·4	*−10·9*	37·4	37·5	*+12·9*	15·0	4,954†	..
2								
1978 *J*	111·4	*− 7·3*	45·1	33·4	*− 9·1*	15·8	1,340	..
F	112·0	*+12·6*	43·3	30·7	*− 8·1*	15·0	1,523	..
M	121·3	*+28·6*	52·4	35·4	*+ 5·4*	16·2	2,094[6]	..
A	116·7	*− 1·6*	48·2	36·0	*+13·0*	16·3	1,684	..
M	103·9	*−13·5*	39·7	34·6	*− 2·3*	14·9	1,976[6]	..
J	107·6	*+ 1·9*	37·7	34·3	*+18·1*	14·5	1,618	..
J	95·6	*−12·8*	37·1	33·5	*+ 1·6*	14·4	1,701	..
A	114·8	*+13·8*	50·2	31·3	*− 9·0*	14·0	1,442[6]	..
S	106·8	*− 8·0*	39·4	32·1	*− 4·3*	13·2	1,614	..
O	83·3	*−22·6*	37·0	26·2	*−22·7*	10·8	1,614	..
N	54·8	*−48·6*	26·8	24·4	*−20·4*	11·6	2,072	..
D	94·7	*−18·8*	37·8	32·5	*− 0·6*	12·3	1,559	..
1979 *J*	92·5	*−16·9*	34·7	34·5	*+ 3·3*	12·3	1,598[6]	..
F	104·2	*− 7·0*	39·3	37·7	*+22·6*	15·6	1,634	..
M	110·5	*− 8·9*	38·2	40·3	*+13·7*	17·1	1,722†	..
A	101·5	*−13·0*	36·3	41·6	*+15·7*	18·5	1,754	..
M	90·5	*−12·9*	32·5	36·7	*+ 6·3*	15·2	2,137	..
J								..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'usable steel' in accordance with the system used by the EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.


Thousands, seasonally adjusted
Production of passenger cars
160
140
120
100
80
60
40
20
0
Total
of which:
For export
Production of commercial vehicles
40
20
0
Total
of which:
For export
1973
1974
1975
1976
1977
1978
1979

Output per person employed

Seasonally adjusted

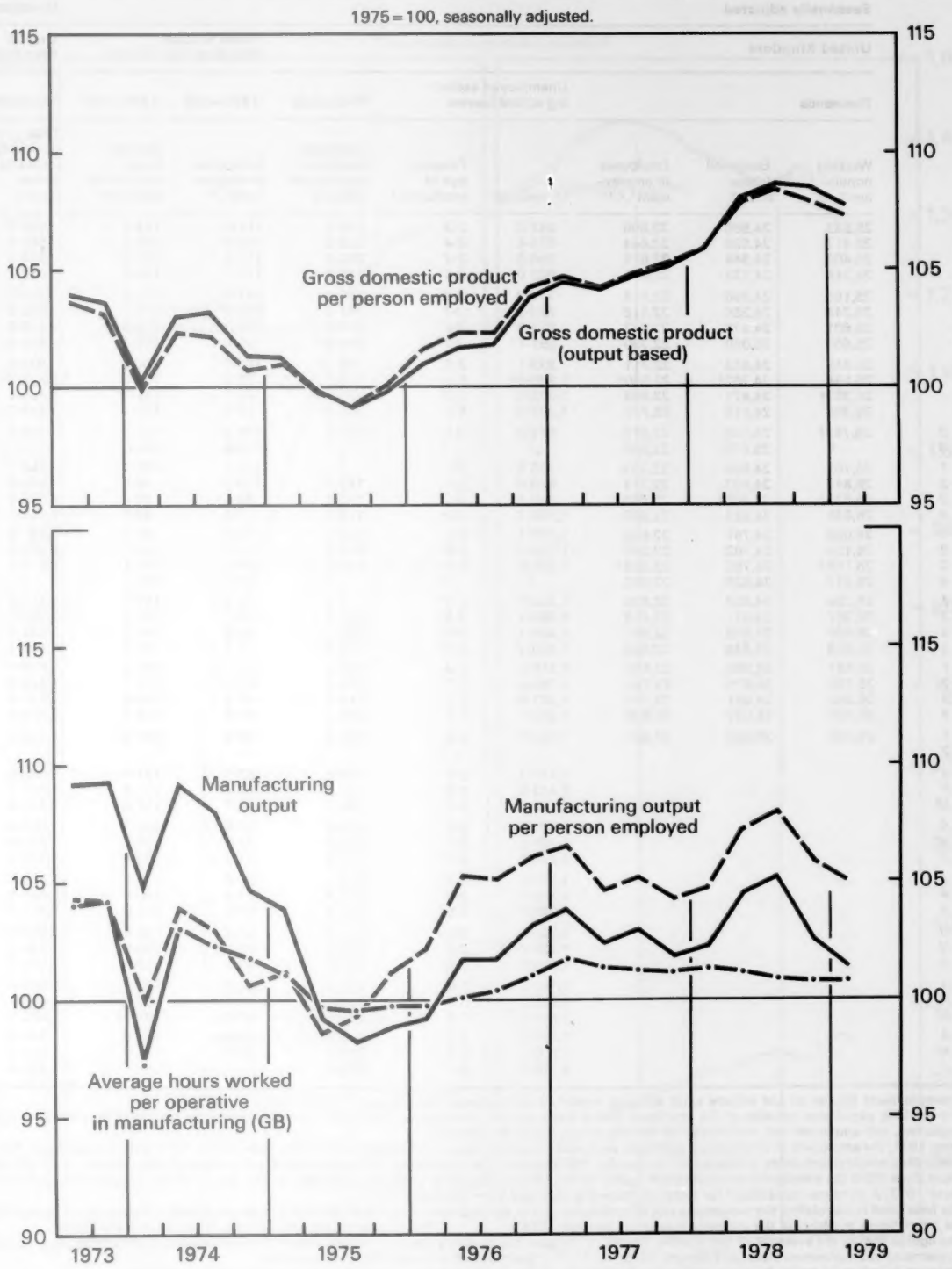
1975=100

	Total employed labour force	Employment		Output per person employed[1]		
		Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1968	99·8	111·1	109·9	90·3	87·4	85·7
1969	99·7	110·8	111·3	92·2	90·0	87·7
1970	99·4†	109·3	111·0	94·0†	91·4	88·3
1971	97·6	106·1	107·4	97·1	94·2	90·8
1972	98·3	103·4	103·9	99·5	98·7	96·3
1973	100·4	104·7	104·5	103·4	104·6	103·6
1974	100·7	104·4	104·7	101·2	100·7	101·8
1975	100·0	100·0	100·0	100·0	100·0	100·0
1976	99·5	97·6	97·0	102·6	104·5	104·6
1977	99·8	97·9	97·8	104·9†	108·1	105·1
1978	100·2	97·4	97·4	107·6	112·7	106·4
1973 *1*	100·2	104·3	104·1	103·8	104·7	102·7
2	100·3	104·7	104·4	103·4	104·8	103·6
3	100·4	104·8	104·6	103·6	105·0	104·3
4	100·5	104·9	104·9	103·1	104·0	104·1
1974 *1*	100·3	104·6	104·8	99·8	98·1	99·7
2	100·6	104·5	105·0	102·4	103·0	103·9
3	101·0	104·1	104·9	102·2	102·7	103·0
4	100·7	104·2	104·1	100·7	99·3	100·5
1975 *1*	100·3	101·9	102·7	101·0	100·7	101·2
2	100·1	100·4	100·7	99·7	99·1	98·5
3	99·9	99·4	98·9	99·2	99·0	99·2
4	99·7	98·4	97·7	100·1	101·1	101·2
1976 *1*	99·4	97·9	97·0	101·6	102·2	102·2
2	99·4	97·5	96·7	102·3	104·4	105·2
3	99·5	97·4	96·9	102·3	104·3	105·0
4	99·7	97·6	97·3	104·2	107·1	106·1
1977 *1*	99·8	97·8	97·6	104·7	108·0	106·5
2	99·9	98·1	98·0	104·3	107·5	104·5
3	99·9	97·9	98·0	104·9	108·5	105·1
4	99·8	97·6	97·7	105·4	108·4	104·2
1978 *1*	100·0	97·7	97·7	105·9	109·5	104·7†
2	100·1	97·7	97·6	108·0	113·3†	107·1
3	100·2	97·4	97·4	108·5	114·5	108·0
4	100·6	97·1	96·9	108·0	113·3	105·9
1979 *1*	100·4†	97·0†	96·6	107·2	112·3	105·0
2						

Percentage change, quarter on corresponding quarter of previous year

1976 *1*	*−0·9*	*−3·9*	*−5·6*	*+0·6*	*+1·5*	*+1·0*
2	*−0·7*	*−2·9*	*−4·0*	*+2·6*	*+5·3*	*+6·8*
3	*−0·4*	*−2·0*	*−2·0*	*+3·1*	*+5·4*	*+5·8*
4	—	*−0·8*	*−0·4*	*+4·1*	*+5·9*	*+4·8*
1977 *1*	*+0·4*	*−0·1*	*+0·6*	*+3·1*	*+5·7*	*+4·2*
2	*+0·5*	*+0·6*	*+1·3*	*+2·0*	*+3·0*	*−0·7*
3	*+0·4*	*+0·5*	*+1·1*	*+2·5*	*+4·0*	*+0·1*
4	*+0·1*	—	*+0·4*	*+1·2†*	*+1·2*	*−1·8*
1978 *1*	*+0·2*	*−0·1*	*+0·1*	*+1·1*	*+1·4*	*−1·7†*
2	*+0·2*	*−0·4*	*−0·4*	*+3·5*	*+5·4†*	*+2·5*
3	*+0·3*	*−0·5*	*−0·6*	*+3·4*	*+5·5*	*+2·8*
4	*+0·8*	*−0·5*	*−0·8*	*+2·5*	*+4·5†*	*+1·6*
1979 *1*	*+0·4*	*−0·7†*	*−1·1*	*+1·2*	*+2·6*	*+0·3*
2						

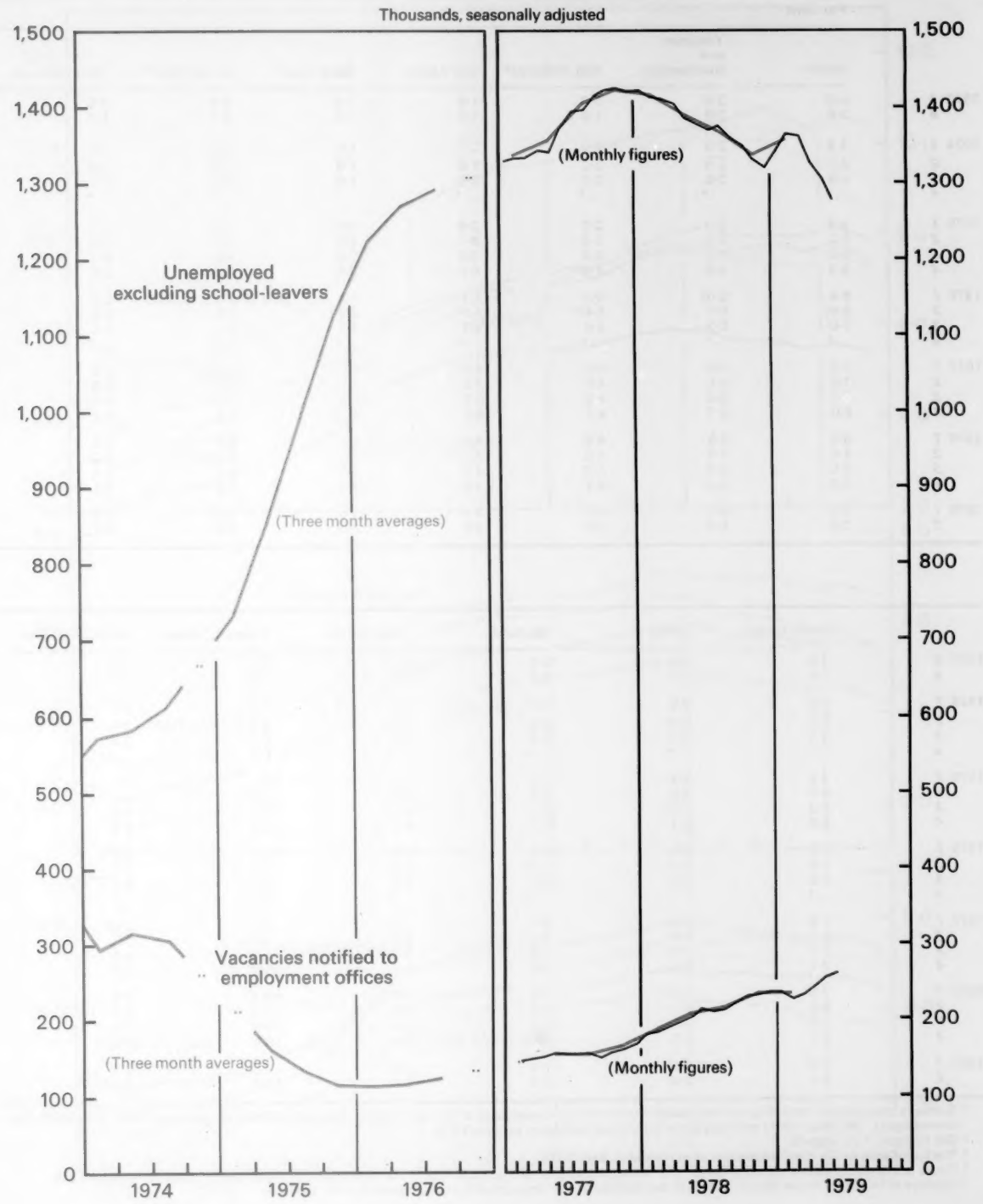
[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1976 are provisional.


1975 = 100, seasonally adjusted.
115
110
105
100
95
Gross domestic product per person employed
Gross domestic product (output based)
Manufacturing output
Manufacturing output per person employed
Average hours worked per operative in manufacturing (GB)
90
1973
1974
1975
1976
1977
1978
1979

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975=100	1975=100	Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3,10]	Thousands[11]	Percentage of employees[4]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative[8]	Total unemployed including school leavers
1967	25,532	24,985	22,806	547·2	*2·3*	175·1	111·0	104·7	556·7
1968	25,417	24,830	22,644	574·4	*2·4*	189·5	110·0	105·5	583·3
1969	25,409	24,844	22,611	566·3	*2·4*	202·0	111·5	105·6	576·2
1970	25,344	24,739	22,465	602·0	*2·6*	188·3	111·3	104·5	612·2
1971	25,166	24,390	22,113	775·8	*3·4*	130·9	107·5	102·6	792·1
1972	25,244	24,386	22,116	854·9	*3·7*	147·3	103·8	102·1	875·6
1973	25,601	24,971	22,663	611·0	*2·6*	307·0	104·5	103·9	618·8
1974	25,653	25,060	22,790	599·7[8]	*2·6*[8]	301·6[8]	105·0	101·1	614·9[8]
1975	25,846	24,933	22,711	929·1	*3·9*	148·1[8]	100·0	100·0	977·6
1976	26,134	24,762†	22,540†	1,269·3[8]	*5·3*	119·7	96·7	100·3	1,358·8[8]
1977	26,357†	24,871	22,658	1,378·0	*5·7*	155·8[8]	98·1	101·3	1,483·6
1978	26,398	24,919	22,715	1,376·5	*5·7*	210·4[8]	97·5	101·1	1,475·0
1974 *3*	25,752†	25,140	22,878	613·0	*2·6*	308·2	104·8	102·3	628·3
4	..[7]	25,078	22,830	..[7]	..[7]	..[7]	103·8	101·8	..[7]
1975 *1*	25,762	24,966	22,733	735·2	*3·1*	..[7]	102·2	101·1	788·7
2	25,846	24,933	22,711	858·5	*3·6*	163·0	100·0	99·6	853·8
3	25,975†	24,885†	22,659†	994·6	*4·2*	133·8	98·4[8]	99·5	1,095·5
4	26,035	24,825	22,600	1,128·2	*4·8*	115·5	97·4	99·7	1,172·3
1976 *1*	26,054	24,761	22,538	1,222·7	*5·1*	114·0	96·7	99·7	1,297·5
2	26,134	24,762	22,540	1,269·3	*5·3*	115·7	96·7	100·0	1,294·9
3	26,169[8]	24,782	22,558[8]	1,290·6	*5·4*	126·2	97·0	100·4	1,473·7
4	26,217	24,828	22,608	..[9]	..[9]	..[9]	97·3	101·0	..[9]
1977 *1*	26,254	24,852	22,636	1,333·3	*5·5*	..[9]	97·8	101·7	1,417·8
2	26,357	24,871	22,658	1,353·4	*5·6*	154·3	98·1	101·3	1,394·7
3	26,404	24,875	22,661	1,403·1	*5·8*	153·7	98·0	101·2	1,622·4
4	26,353	24,848	22,638	1,422·2	*5·9*	163·6	97·7	101·1	1,499·4
1978 *1*	26,387	24,900	22,693	1,415·7	*5·9*	185·9	97·7	101·3	1,506·1
2	26,398	24,919	22,715	1,388·6	*5·7*	206·3	97·5	101·1	1,428·2
3	26,393	24,961	22,755	1,367·9	*5·7*	215·2	97·2	100·9	1,570·6
4	26,429	25,039	22,836	1,333·7	*5·5*	234·2	96·8	100·8	1,395·3
1979 *1*	26,432	25,002	22,801	1,356·7	*5·6*	232·6	96·5	100·8†	1,436·5
2									
1978 *J*	..	..	..	1,421·7	*5·9*	180·2	97·7	101·3	1,548·5
F	..	..	..	1,413·9	*5·9*	185·3	97·7	101·2	1,508·7
M	..	..	..	1,411·4	*5·8*	192·3	97·7	101·5	1,461·0
A	..	..	..	1,403·0	*5·8*	199·8	97·6	101·3	1,451·8
M	..	..	..	1,384·8	*5·7*	205·6	97·6	101·1	1,386·8
J	..	..	..	1,378·1	*5·7*	213·4	97·5	100·9	1,446·1
J	..	..	..	1,370·2	*5·7*	211·1	97·6	101·0	1,585·8
A	..	..	..	1,373·4	*5·7*	211·8	97·4	100·8	1,608·3
S	..	..	..	1,360·2	*5·6*	222·8	97·2	101·0	1,517·7
O	..	..	..	1,349·9	*5·6*	231·8	97·0	100·9	1,429·5
N	..	..	..	1,331·7	*5·5*	234·9	96·9	100·8	1,392·0
D	..	..	..	1,319·6	*5·5*	235·9	96·8	100·8	1,364·3
1979 *J*	..	..	..	1,342·1	*5·6*	235·7	96·7	100·3	1,455·3
F	..	..	..	1,366·5	*5·7*	228·9	96·6	100·9	1,451·9
M	..	..	..	1,361·5	*5·6*	233·1	96·5	101·3†	1,402·3
A	..	..	..	1,327·4	*5·5*	245·3	96·5	101·5	1,340·6
M	..	..	..	1,306·4	*5·4*	257·3	96·5	101·0	1,299·3
J	..	..	..	1,278·7	*5·3*	262·4			1,343·9

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.
[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate to mid-year. From June 1976 the employees in employment figures for the UK are provisional until the publication of the results of the Census of Employment for June 1977. A constant component for Northern Ireland is included from December 1977.
[4] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is the provisional estimate for mid-1978.
[5] The figures shown are averages of eleven months figures.
[6] The figures shown are averages of ten months figures.
[7] Figure not available due to industrial action. For further details see note to page 129 of the *Department of Employment Gazette*, February 1975.
[8] Estimates after June 1976 are provisional.
[9] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available.
[10] The figures for employees in employment in the United Kingdom include recent small revisions to the Northern Ireland figures.
[11] See footnote [9] on page 5.


Thousands, seasonally adjusted
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed
excluding school-leavers
(Three month averages)
(Monthly figures)
Vacancies notified to
employment offices
(Three month averages)
(Monthly figures)
1974
1975
1976
1977
1978
1979

Regional unemployment rates[1]

Seasonally adjusted[2]

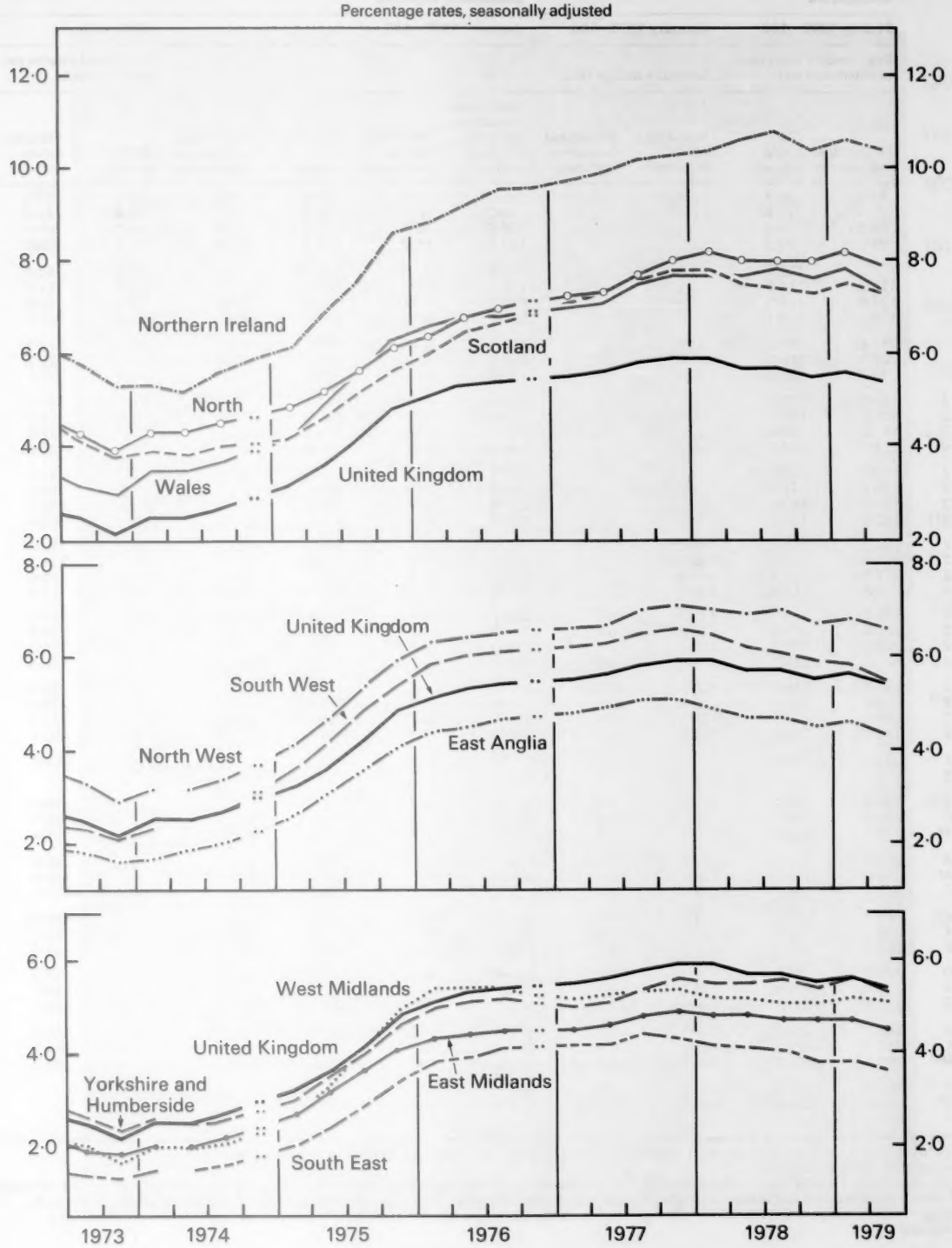
Per cent

	North[3]	Yorkshire and Humberside[3]	East Midlands[3]	East Anglia	South East[3]	South West[3]	West Midlands
1973 *3*	4·3	2·6	1·9	1·8	1·4	2·3	2·0
4	3·9	2·3	1·8	1·6	1·3	2·1	1·7
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·5	3·2	3·1	2·4	4·2	3·5
3	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	5·0†	4·3	4·4	3·8	5·8	5·4
2	6·8†	5·1	4·4†	4·5	3·9	6·0	5·4
3	7·0	5·2	4·5	4·7	4·1	6·1	5·4
4	..[5]	..[5]	..[5]	..[5]	..[5]	..[5]	..[5]
1977 *1*	7·2	5·0	4·5	4·8†	4·2	6·2†	5·2
2	7·3	5·1	4·6	4·9	4·2	6·3	5·3
3	7·7	5·4	4·8	5·1	4·4	6·5	5·4†
4	8·0	5·6	4·9	5·1	4·3†	6·6	5·4
1978 *1*	8·2	5·5	4·8	4·9	4·2	6·5	5·2
2	8·0	5·5	4·8	4·7	4·1	6·2	5·2
3	8·0	5·6	4·7	4·7	4·0	6·1	5·1
4	8·0	5·4	4·7	4·5	3·8	5·9	5·1
1979 *1*	8·2	5·6	4·7	4·6	3·8	5·8	5·2
2	7·9	5·3	4·5	4·3	3·6	5·5	5·1

	North West[3]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1973 *3*	3·3	3·2	4·2	2·4	5·7	2·5
4	2·9	3·0	3·8	2·2	5·3	2·3
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[4]	..[4]	..[4]	..[4]	5·9	..[4]
1975 *1*	4·1	4·2	4·2	3·1	6·1	3·1
2	4·7	4·9	4·6	3·6	6·9	3·6
3	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·8	6·5†	5·2	9·2	5·3
3	6·5	6·8	6·7	5·3	9·5	5·4
4	..[5]	..[5]	..[5]	..[5]	9·6	..[5]
1977 *1*	6·6	7·0	7·1	5·4	9·7	5·5†
2	6·7	7·1	7·3	5·5	9·9	5·6
3	7·0	7·5	7·6	5·7	10·2	5·8
4	7·1	7·7	7·8	5·8	10·3	5·9
1978 *1*	7·0	7·7	7·8	5·7	10·4	5·9
2	6·9	7·7	7·5	5·6	10·6	5·7
3	7·0	7·8	7·4	5·5	10·8	5·7
4	6·7	7·6	7·3	5·4	10·4	5·5
1979 *1*	6·8	7·8	7·5	5·5	10·6	5·6
2	6·6	7·4	7·3	5·3	10·4	5·4

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figure available is the provisional estimates for mid-1978.
[2] See footnote [9] on page 5.
[3] The boundaries of the standard regions were revised in April 1974.
[4] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.
[5] Because of industrial action by some staff in the Department of Employment group, figures are not available.

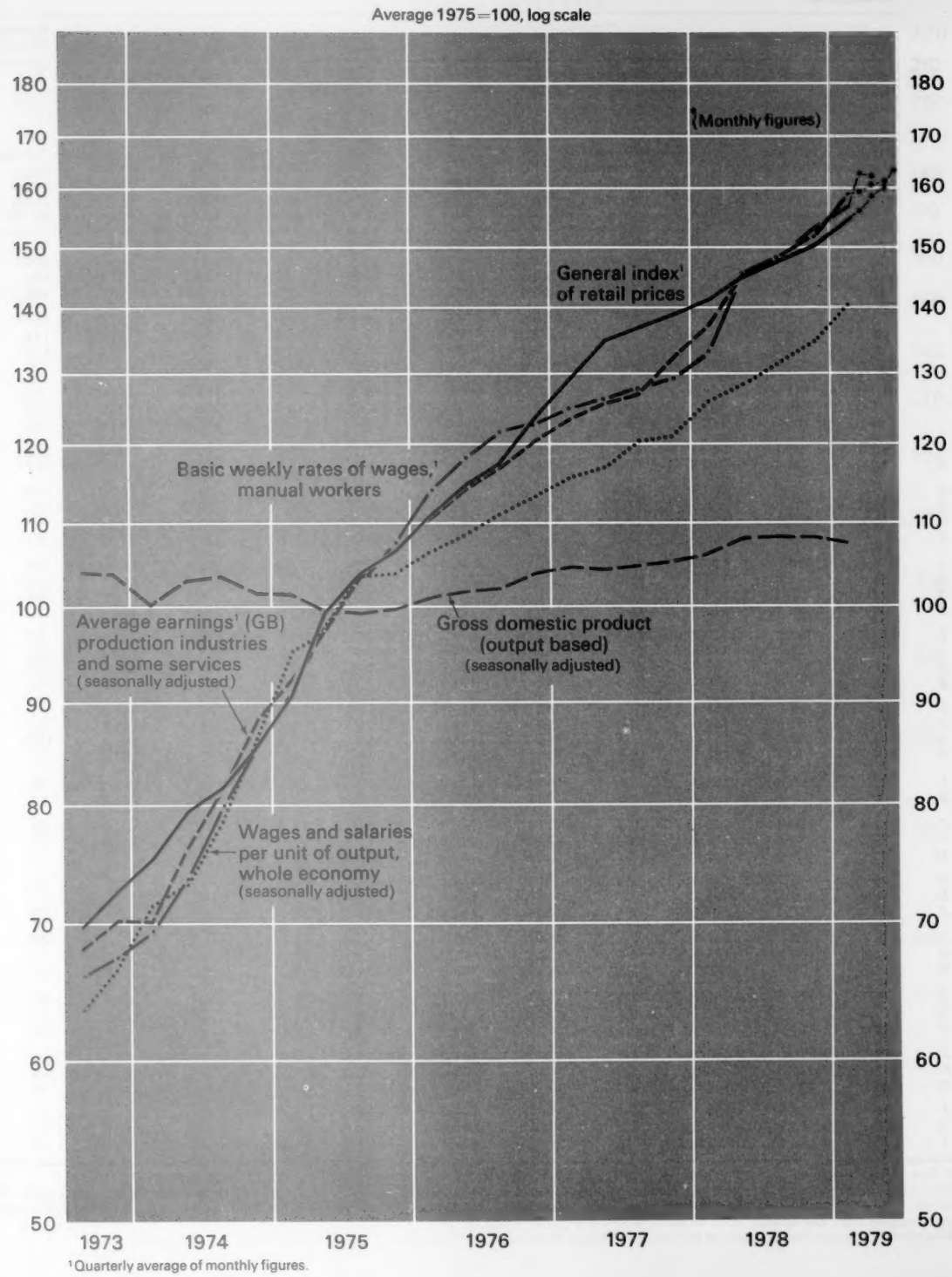
Percentage rates, seasonally adjusted



Wage rates and earnings

		Unadjusted				Seasonally adjusted					
		31 July 1972 =100[1]		January 1976 =100		January 1970 =100				1975 =100	
		Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
		All industries and services	Manufacturing industry	New series: whole economy	*Percentage increase on year earlier*	Older series: production industries and some services	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1968		68·1	68·4	..	..	88·2	*7·8*	87·8	*8·2*	43·4	42·5
1969		71·7	72·1	..	..	95·2	*7·8*	94·9	*8·1*	44·8	45·2
1970		78·8	79·4	..	..	106·7	*12·1*	107·0	*12·7*	49·2	50·8
1971		89·0	89·3	..	..	118·7	*11·3*	118·9	*11·2*	53·8	55·6
1972		101·3	101·5	..	..	134·0[2]	..[3]	134·2[2]	..[3]	58·4	57·9
1973		115·2	114·6	..	..	152·1	..[3]	151·5	..[3]	62·9	61·2
1974		138·0	134·3	..	..	179·1	*17·8*	177·5	*17·2*	77·4†	75·6
1975		178·7	174·4	..	..	226·6	*26·5*	223·8	*26·1*	100·0	100·0
1976		213·2	209·0	106·0	..	261·8	*15·6*	260·7	*16·5*	110·0	113·7
1977		227·3	218·9	115·6	*9·1*	288·5	*10·2*	287·6	*10·3*	118·7	125·3
1978		259·2	258·7	130·6	*13·0*	330·2	*14·5*	329·6	*14·6*	130·3	
1974	*1*	124·3	122·7	..	..	159·1[4]	*10·2*[4]	157·4[4]	*9·5*[4]	71·6	67·2
	2	131·7	128·0	..	..	172·5	*14·9*	171·2	*14·5*	73·4†	71·6
	3	143·2	139·4	..	..	185·1	*19·9*	184·0	*19·7*	78·7	77·9
	4	152·7	147·1	..	..	199·6	*25·4*	197·5	*24·2*	86·4	86·0
1975	*1*	162·7	155·1	..	..	209·5	*31·6*	207·4	*31·8*	95·2	91·1
	2	175·3	171·9	..	..	220·2	*27·6*	216·8	*26·6*	97·3	98·2
	3	184·3	180·5	..	..	234·0	*26·4*	230·7	*25·4*	103·9	103·8
	4	192·6	190·1	..	..	242·7	*21·6*	240·6	*21·8*	103·7	107·0
1976	*1*	204·2	201·5	101·0	..	250·7	*19·7*	248·9	*20·0*	106·7	110·3
	2	211·5	209·0	105·2	..	258·1	*17·2*	257·6	*18·8*	108·9	111·7
	3	217·8	212·5	107·9	..	265·9	*13·6*	265·1	*14·9*	111·3	115·6
	4	219·3	213·1	110·1	..	272·7	*12·3*	271·3	*12·8*	113·1	117·3
1977	*1*	223·3	215·7	111·8	*10·7*	280·2	*11·8*	278·6	*11·9*	116·0	120·0
	2	225·9	217·9	114·5	*8·8*	284·4	*10·2*	283·2	*9·9*	117·2	123·5
	3	228·7	220·2	116·4	*7·9*	289·1	*8·7*	288·2	*8·7*	120·5	126·0
	4	231·2	221·7	119·9	*8·9*	300·3	*10·1*	300·3	*10·7*	121·2	131·6
1978	*1*	237·7	226·1	123·1	*10·1*	310·9	*11·0*	311·6	*11·8*	126·2	136·0†
	2	260·6	263·9	129·9	*13·5*	327·8	*15·3*	326·9	*15·5*	129·1	139·6
	3	265·8	267·9	133·2	*14·4*	335·7	*16·1*	334·5	*16·1*	131·3	142·3
	4	272·6	280·6	136·5	*13·8*	346·4	*15·3*	345·4	*15·0*	134·6	150·1
1979	*1*	284·5	283·8							141·0	154·5
	2										
1978	*J*	236·6	225·6	121·5	*9·5*	306·7	*10·2*	308·0	*11·4*	..	134·6
	F	237·9	226·0	122·7	*10·5*	311·5	*11·6*	311·9	*12·2*	..	136·1†
	M	238·7	226·6	125·0	*10·4*	314·6	*11·2*	314·9	*12·0*	..	137·4
	A	258·5	262·1	127·2	*12·4*	324·1	*14·8*	325·2	*15·6*	..	138·5
	M	259·9	263·8	129·4	*12·6*	326·2	*14·5*	325·1	*14·4*	..	139·6
	J	263·5	265·7	133·1	*15·4*	333·0	*16·5*	330·6	*16·3*	..	140·7
	J	264·8	265·9	133·6	*14·2*	333·2	*16·3*	332·1	*16·2*	..	140·6
	A	266·2	268·6	131·7	*13·9*	334·7	*15·9*	333·5	*15·9*	..	141·7
	S	266·5	269·1	134·2	*15·1*	339·2	*16·2*	338·0	*16·2*	..	144·6
	O	270·6	276·1	135·2	*14·7*	344·5	*16·5*	343·3	*16·5*	..	147·3
	N	272·7	277·4	136·1	*13·3*	344·5	*14·4*	343·2	*13·8*	..	149·2
	D	274·8	277·5	138·0	*13·3*	350·1	*15·1*	349·7	*14·8*	..	153·8
1979	*J*	282·8†	283·2	135·7	*11·7*	344·7	*12·4*	345·5	*12·2*	..	155·2
	F	284·9	283·7	141·1	*15·0*	355·6	*14·1*	357·3	*14·6*	..	156·1
	M	285·8	284·6	143·7	*14·9*	369·3	*17·4*	369·0	*17·2*	..	152·2
	A	288·2	287·6†	144·3	*13·5*	368·1†	*13·6*†	368·0†	*13·2*†	..	
	M	289·5	289·8	146·5[5]	*13·2*[5]	372·4[5]	*14·2*[5]	374·3[5]	*15*1·[5]	..	
	J	293·2	291·1							..	

[1] Prior to July 1972 the series was based on 31 January 1956 =100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[5] Provisional.



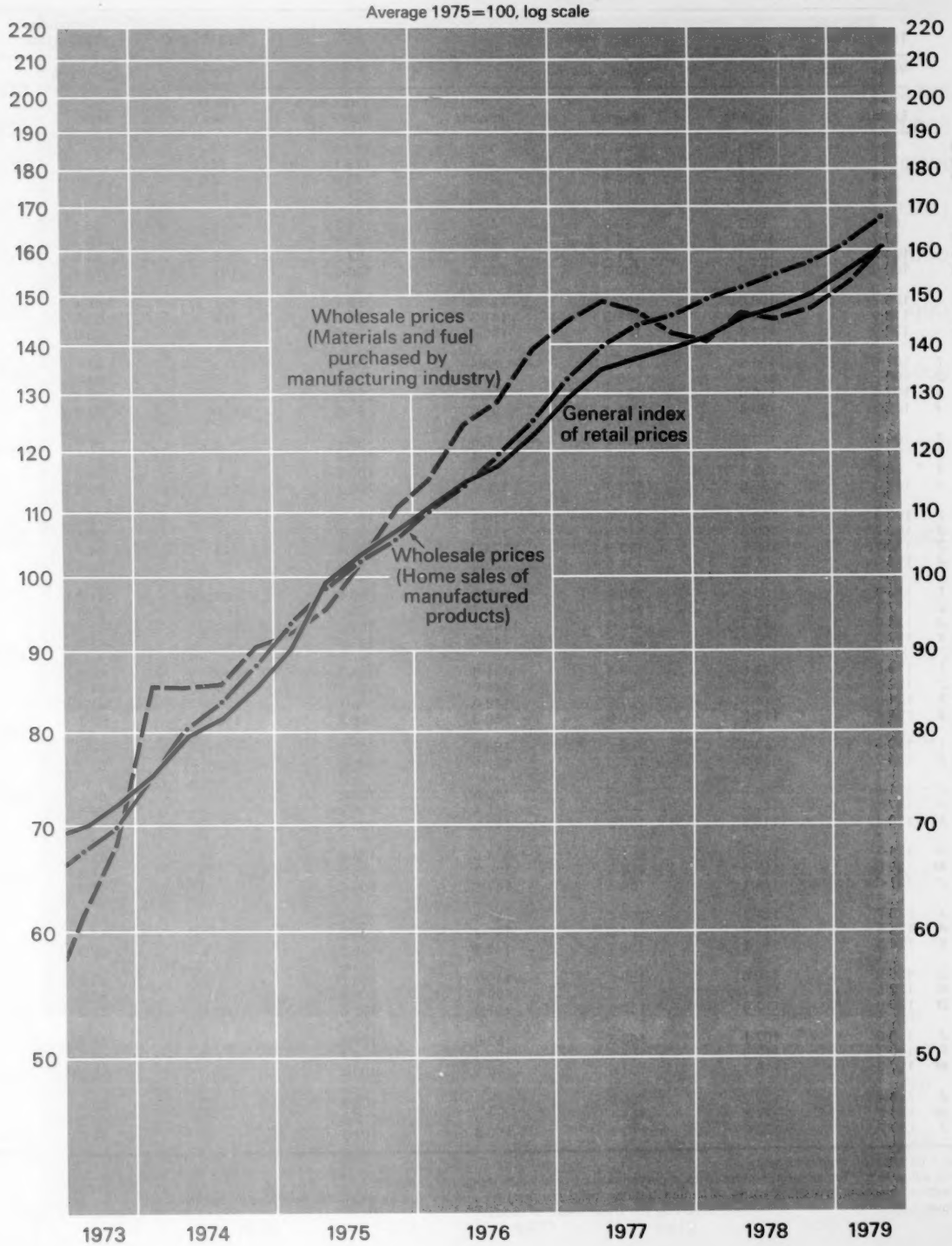
[1] Quarterly average of monthly figures.

Prices

Unadjusted

	Average 1975=100										Average 1975=100 p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output All manufactured products Home sales[3]	All items Index	All items *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1968	37·2	48·7	48·4	*4·7*	42·6	50·5	48·9	*4·8*	46·8	46·9	207
1969	38·7	50·5	51·0	*5·4*	45·3	53·1	51·5	*5·2*	49·2	49·5	196
1970	40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978	144·6	153·3	146·2	*8·2*	152·9	144·3	146·5	*9·0*	150·4	149·8	68
1974 *3*	85·6	83·7	81·7	*17·0*	79·8	82·4	81·9	*17·0*	80·4	80·8	122
4	90·6	88·0	85·4	*18·2*	84·5	85·7	85·5	*18·5*	84·6	84·8	117
1975 *1*	92·2	93·7	90·5	*20·3*	91·4	90·2	90·7	*20·7*	89·9	89·9	110
2	95·5	98·5	99·1	*24·3*	99·8	98·8	99·0	*24·4*	99·5	99·6	101
3	101·8	102·1	103·4	*26·5*	102·5	103·7	103·4	*26·3*	103·1	103·3	97
4	110·5	105·7	107·0	*25·3*	106·1	107·3	106·9	*25·0*	107·4	107·3	93
1976 *1*	115·4	110·3	110·9	*22·5*	113·6	110·1	110·1	*21·3*	112·8	112·6	90
2	124·6	114·5	114·9	*16·0*	117·7	114·1	113·9	*15·1*	117·3	116·9	87
3	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977 *1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*	146·3	145·5	71
2	146·3	151·8	145·3	*7·6*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4	147·1	157·3	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	67
1979 *1*	152·2	161·6	155·0	*9·6*	164·2	152·4	154·7	*9·3*	159·2	158·5†	65
2	160·5	167·9	160·7	*10·6*	168·9	158·3	160·2	*10·3*	163·4	162·9	62
1978 *J*	139·4	148·3	140·6	*9·9*	147·1	138·7	140·8	*11·3*	..	..	71
F	139·1	149·2	141·4	*9·5*	148·0	139·5	141·7	*11·0*	..	..	71
M	142·0	150·0	142·3	*9·1*	148·8	140·4	142·4	*10·4*	..	..	70
A	145·1	150·9	144·4	*7·9*	151·2	142·4	144·3	*9·1*	..	..	69
M	146·8	151·9	145·2	*7·7*	152·4	143·1	145·2	*8·6*	..	..	69
J	147·0	152·7	146·3	*7·4*	155·1	143·8	146·0	*8·1*	..	..	68
J	145·8	153·8	147·0	*7·8*	154·6	144·8	147·1	*8·3*	..	..	68
A	144·2	154·8	147·9	*8·0*	154·7	146·0	148·3	*8·4*	..	..	68
S	144·8	155·7	148·5	*7·8*	154·8	146·8	149·1	*8·2*	..	..	67
O	145·7	156·6	149·2	*7·8*	154·2	147·7	149·8	*8·1*	..	..	67
N	147·3	157·1	150·2	*8·1*	156·0	148·6	150·9	*8·3*	..	..	67
D	148·3	158·3	151·5	*8·4*	157·9	149·6	151·8	*8·5*	..	..	66
1979 *J*	150·8	160·0	153·7	*9·3*	163·2	151·0	153·4	*9·0*	..	..	65
F	152·2	161·7	155·0	*9·6*	164·1	152·4	154·8	*9·3*	..	..	65
M	153·5	163·2	156·2	*9·8*	165·2	153·7	155·9	*9·5*	..	..	64
A	158·4†	165·5†	158·9	*10·1*	166·2	156·8	158·4	*9·7*	..	..	63
M	161·1[5]	167·7[5]	160·2	*10·3*	168·0	157·9	159·8	*10·1*	..	..	62
J	162·1[5]	170·6[5]	162·9	*11·4*	172·5	160·2	162·4	*11·3*	..	..	61

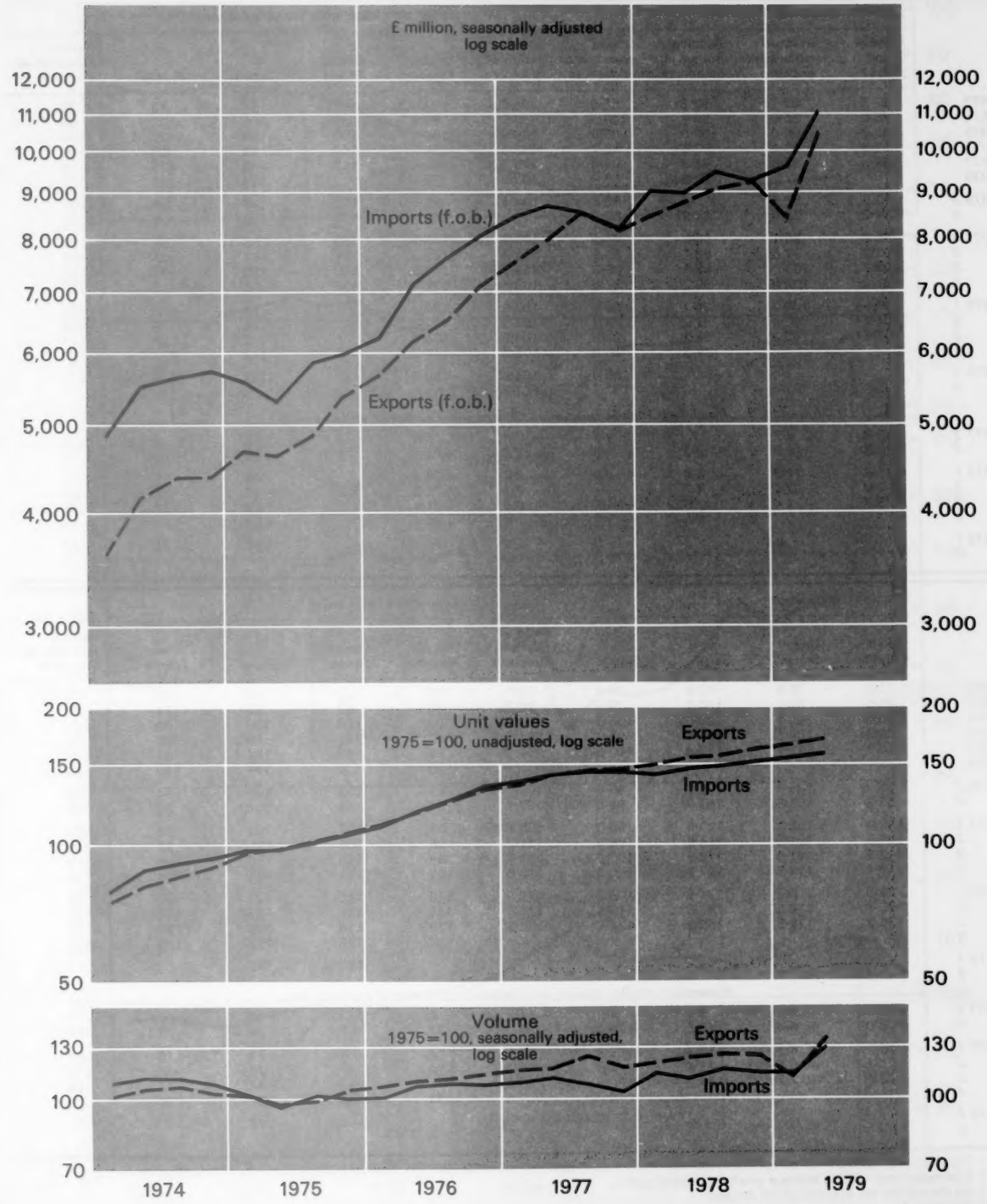
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1975=100, log scale
220
210
200
190
180
170
160
150
140
130
120
110
100
90
80
70
60
50
Wholesale prices (Materials and fuel purchased by manufacturing industry)
General index of retail prices
Wholesale prices (Home sales of manufactured products)
1973
1974
1975
1976
1977
1978
1979

Visible trade

	Seasonally adjusted		Unadjusted				
	1975=100		1975=100			1975=100	December 1971=100
	Volume indices[1]		Unit value indices[1]			World commodity prices index[3]	Sterling effective exchange rate
	Exports	Imports	Exports	Imports	Terms of trade[2]		
1968	70·2	77·1	46·2	39·2	117·9	32	..
1969	77·1	77·9	47·7	40·4	118·1	34	..
1970	80·3	82·6	50·9	42·2	120·6	36	..
1971	85·5	85·8	53·8	44·2	121·7	37	..
1972	85·2	95·3	56·9	46·7	121·8	41	95·2
1973	97·7	108·8	64·1	59·6	107·6	60	86·3
1974	104·2	109·7	81·7	87·4	93·5	105	83·6
1975	100·0	100·0	100·0	100·0	100·0	107	77·2
1976	109·7	105·6	120·7	121·8	99·1	137	65·4
1977	118·9	107·2	142·5	141·3	100·8	154	62·1
1978	122·9	112·6	155·1	146·4	105·9	144	63·0
1974 *1*	101·0	108·2	74·2	78·4	94·6	113	83·1
2	106·2	111·4	80·3	87·9	91·4	110	84·7
3	107·5	110·8	84·2	90·4	93·1	108	84·2
4	102·3	108·4	88·3	93·0	94·9	109	82·6
1975 *1*	100·9	102·1	95·2	96·5	98·7	102	81·7
2	97·1	95·7	97·5	97·1	100·4	102	79·1
3	98·0	102·4	101·6	100·8	100·8	111	75·2
4	104·0	99·8	105·7	105·6	100·1	119	73·0
1976 *1*	106·2	100·2	110·6	110·1	100·5	124	72·0
2	109·7	106·3	116·9	118·7	98·5	141	65·8
3	110·1	108·5	123·9	124·7	99·4	145	64·1
4	113·0	107·4	131·5	133·9	98·2	157	59·6
1977 *1*	115·9	108·8	135·8	137·1	99·1	164	61·8
2	117·7	110·6	141·5	140·7	100·6	168	61·6
3	124·6	107·3	145·3	143·4	101·3	160	61·8
4	117·3	102·3	147·4	143·9	102·4	153	63·3
1978 *1*	119·6	113·5	149·6	141·5	105·7	147	65·4
2	122·2	109·7	153·2	146·0	104·9	154	61·5
3	124·8	114·9	157·0	148·0	106·1	149	62·4
4	124·8	112·3	160·6	150·3	106·9	150[4]	62·7
1979 *1*	110·3	113·3	165·6	153·8	107·7	156[4]†	64·0
2	134·2	129·0	169·6	157·1	108·0	154[5]	67·4
1978 *J*	111·0	112·8	149·5	140·6	106·3	..	66·0
F	127·3	111·4	149·1	141·4	105·4	..	66·0
M	120·4	116·3	150·2	142·5	105·4	..	64·1
A	124·3	104·8	151·5	144·5	104·8	..	61·8
M	120·5	113·3	153·5	145·7	105·4	..	61·5
J	121·9	111·1	154·5	147·6	104·7	..	61·3
J	125·7	114·3	155·3	147·4	105·4	..	62·1
A	124·5	111·3	157·0	147·8	106·2	..	62·4
S	124·3	119·1	158·7	148·6	106·8	..	62·7
O	125·9	110·8	159·1	149·7	106·3	..	62·5
N	122·5	113·7	161·3	150·1	107·5	..	62·5
D	126·0	112·5	161·5	151·0	107·0	..	63·2
1979 *J*	113·0	107·1	163·3	152·0	107·4	..	63·5
F	100·7	117·0	165·9	153·4	108·1	..	63·7
M	117·3	115·7	167·6	156·1	107·4	..	65·0
A	128·4	127·2	168·8	155·0	108·9	..	66·9
M	133·6	127·8	169·1	156·6	108·0	..	66·9
J	140·7	132·0	170·9	159·6	107·1	..	68·3

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional. [5] Projection by the Department of Industry.


£ million, seasonally adjusted
log scale
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
Imports (f.o.b.)
Exports (f.o.b.)
Unit values
1975=100, unadjusted, log scale
Exports
Imports
200
150
100
50
Volume
1975=100, seasonally adjusted,
log scale
Exports
Imports
130
100
70
1974
1975
1976
1977
1978
1979

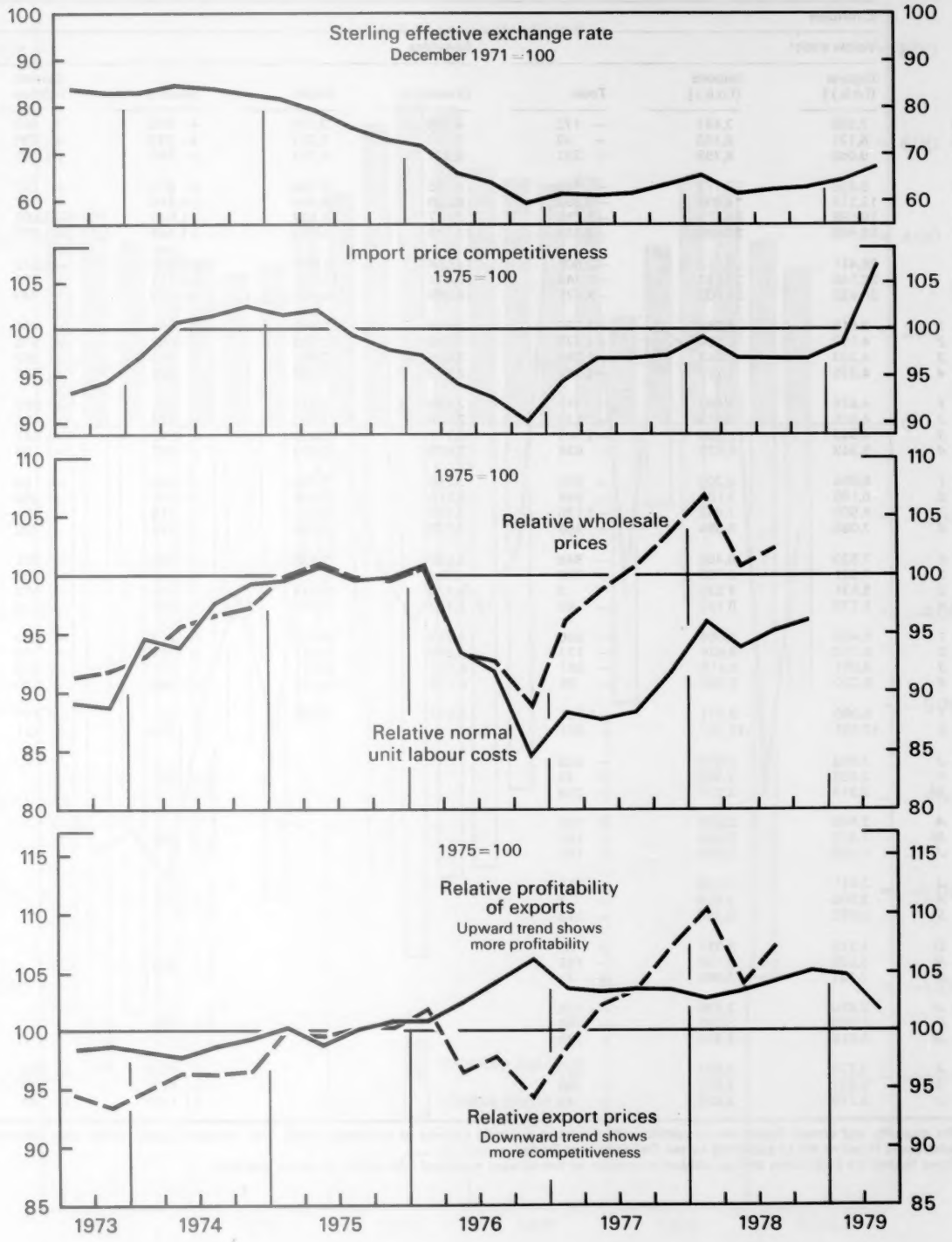
Measures of UK trade competitiveness

1975 =100

	Summary measures[1]					Export unit value index for manufactures[3]				
	Relative export prices[2]	Relative wholesale prices[2]	Relative normal unit labour costs[2]	Import price competitiveness	Relative profitability of exports	United Kingdom	United States	Japan	France	Federal Republic of Germany
1973	97·5	95·7	92·6	95·9	98·2	71·7	71	79	72	75
1974	96·0	95·6	96·6	100·5	98·5	85·6	86	101	82	88
1975	100·0	100·0	100·0	100·0	100·0	100·0	100	100	100	100
1976	97·6	93·8	92·6	93·7	103·5	98·3	107	99	98	100
1977	103·0	99·8	88·8	96·4	103·6	112·6	112	108	105	110
1978			93·8	97·4	103·9	135·9		134	122	127
1976 *3*	97·9	92·7	..	92·8	104·4	99·1	107	99	98	101
4	94·2	88·6	84·9	90·5	106·2	98·4	110	100	98	106
1977 *1*	98·8	96·1	88·8	94·4	103·7	105·2	110	103	102	107
2	102·2	98·8	88·1	96·9	103·4	109·9	111	107	103	108
3	103·6	100·8	88·1	96·8	103·6	114.0	113	110	107	111
4	107·2	103·5	90·2	97·4	103·5	121·4	116	115	109	115
1978 *1*	110·5[4]	107·0	94·7	98·9	102·9	131·3		118	113	122
2	104·2[4]	100·8	92·2	96·9	103·3	127·8		134	118	122
3	107·4[4]	102·2	94·1	96·9	104·2	138·4		142	126	127
4			94·3	96·9	105·2	146·2		143	128	137
1979 *1*				98·6	104·9	152·8		143	135	140
2				107·1	101·7					
	Percentage change, quarter on corresponding quarter of previous year.									
1977 *3*	*+ 5·8*	*+ 8·7*	*..*	*+ 4·3*	*— 0·8*	*+15·0*	*+6*	*+11*	*+ 9*	*+10*
4	*+13·8*	*+16·8*	*+ 6·2*	*+ 7·6*	*— 2·5*	*+23·4*	*+5*	*+15*	*+11*	*+ 8*
1978 *1*	*+11·8*	*+11·3*	*+ 6·6*	*+ 4·8*	*— 0·8*	*+24·8*		*+15*	*+11*	*+14*
2	*+ 2·0*	*+ 2·0*	*+ 4·7*	*—*	*— 0·1*	*+16·3*		*+25*	*+15*	*+13*
3	*+ 3·7*	*+ 1·4*	*+ 6·8*	*+ 0·1*	*+ 0·6*	*+21·4*		*+29*	*+18*	*+14*
4			*+ 4·5*	*— 0·5*	*+ 1·6*	*+20·4*		*+24*	*+17*	*+19*
1979 *1*				*— 0·3*	*+ 1·9*	*+16·4*		*+21*	*+19*	*+15*
2				*+10·5*	*— 1·5*					

	Wholesale price index[3]					Unit labour costs index[3]				
	United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom	United States	Japan	France	Federal Republic of Germany
1973	73·8	75·5	83·8	74·4	78·1	68	82	69	69	77
1974	86·5	90·1	100·2	79·9	90·7	80	89	83	74	89
1975	100·0	100·0	100·0	100·0	100·0	100	100	100	100	100
1976	95·3	104·6	104·9	96·4	101·5	92	102	99	95	96
1977	110·8	111·1	117·8	100·6	112·9	98	109	114	101	108
1978						123	116	144	118	129
1976 *3*	95·0	105·4	108·1	94·5	101·7	91	102	100	94	96
4	93·3	106·5	107·7	95·0	107·1	87	104	101	94	102
1977 *1*	102·9	108·4	110·6	96·0	108·8	93	107	105	95	102
2	108·3	111·0	114·8	98·9	111·2	96	108	111	98	106
3	112·6	111·9	118·5	102·0	113·7	98	109	116	103	109
4	119·4	113·3	127·1	105·3	118·0	107	111	125	106	115
1978 *1*	129·8	115·5	131·5	108·7	126·9	118	116	127	109	122
2	125·7	118·3	141·5	115·5	127·5	115	116	136	113	126
3	135·0	120·5	159·9	124·9	132·3	123	116	155	120	129
4						134	118	157	128	138
1979 *1*							123	147		
2										
	Percentage change, quarter on corresponding quarter of previous year.									
1977 *3*	*+18·5*	*+ 6·2*	*+ 9·6*	*+ 7·9*	*+11·8*	*+ 8*	*+7*	*+16*	*+10*	*+14*
4	*+28·0*	*+ 6·4*	*+18·0*	*+10·8*	*+10·2*	*+23*	*+7*	*+24*	*+13*	*+13*
1978 *1*	*+26·1*	*+ 6·5*	*+18·9*	*+13·2*	*+16·6*	*+27*	*+8*	*+21*	*+15*	*+19*
2	*+16·1*	*+ 6·6*	*+23·3*	*+16·8*	*+14·7*	*+20*	*+7*	*+23*	*+15*	*+19*
3	*+19·9*	*+ 7·7*	*+34·9*	*+22·5*	*+16·4*	*+26*	*+6*	*+34*	*+17*	*+18*
4						*+25*	*+6*	*+26*	*+21*	*+20*
1979 *1*							*+6*	*+16*		
2										

[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979.
[2] Downward movements indicate greater competitiveness.
[3] All the indices are in terms of US dollars.
[4] Provisional.


Sterling effective exchange rate
December 1971 = 100
Import price competitiveness
1975 = 100
1975 = 100
Relative wholesale prices
Relative normal unit labour costs
1975 = 100
Relative profitability of exports
Upward trend shows more profitability
Relative export prices
Downward trend shows more competitiveness
1973
1974
1975
1976
1977
1978
1979

Balance of payments: current account

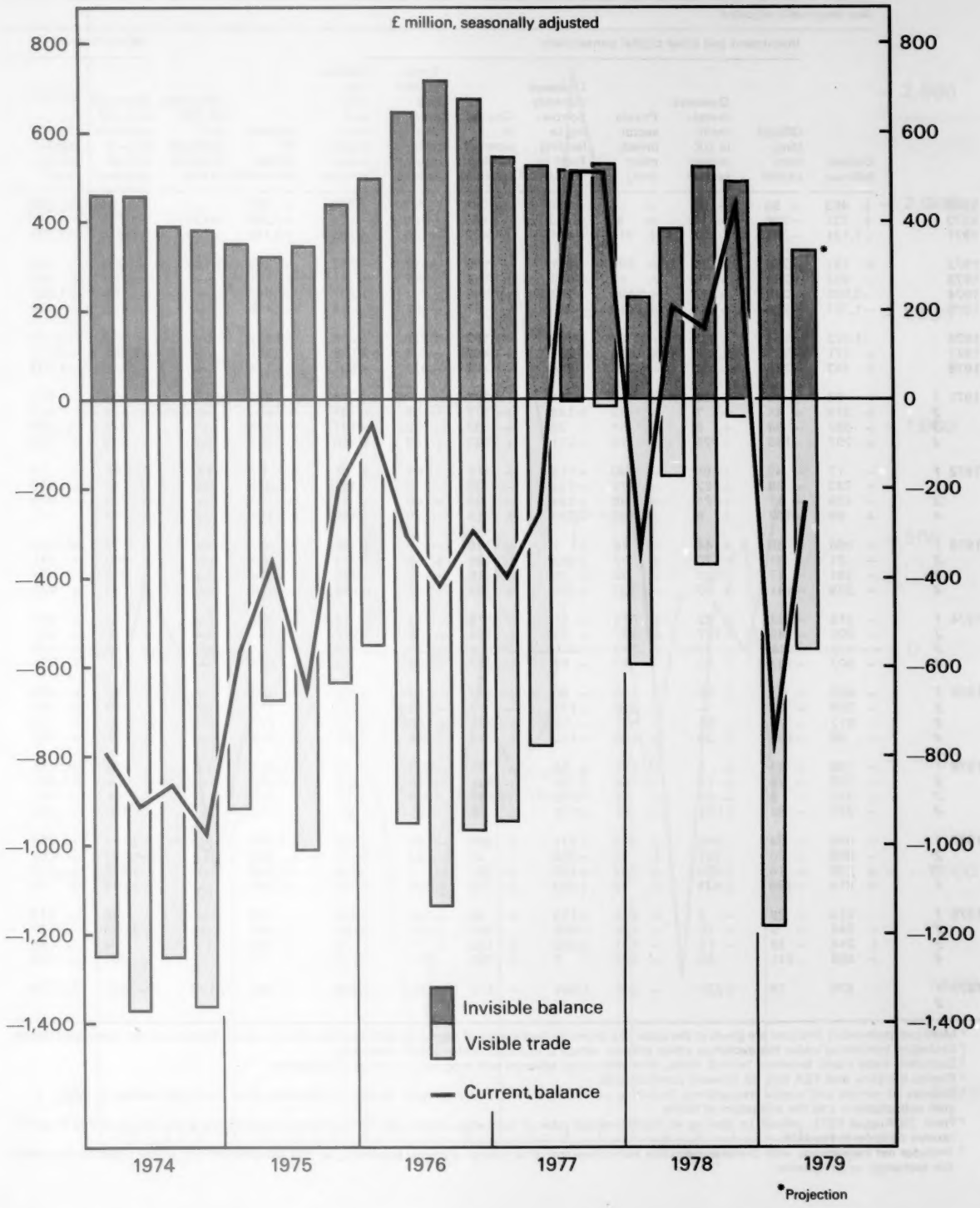
Seasonally adjusted

£ million

	Visible trade[1]			Invisibles			
	Exports (f.o.b.) §	Imports (f.o.b.) §	Total	Credits	Debits	Balance	Current balance
1969	7,269	7,441	− 172	4,339	3,704	+ 635	+ 463
1970	8,121	8,163	− 42	5,030	4,257	+ 773	+ 731
1971	9,060	8,799	+ 261	5,587	4,747	+ 840	+1,101
1972	9,450	10,172	− 722	6,165	5,286	+ 879	+ 157
1973	12,115	14,498	−2,383	8,285	6,869	+1,416	− 967
1974	16,538	21,773	−5,235	10,107	8,422	+1,685	−3,550
1975	19,463	22,699	−3,236	11,119	9,670	+1,449	−1,787
1976	25,411	29,012	−3,601	14,504	11,975	+2,529	−1,072
1977	32,148	33,892	−1,744	16,414	14,299	+2,115	+ 371
1978	35,432	36,607	−1,175	18,085	16 467	+1,618	+ 443
1974 *1*	3,618	4,868	−1,250	2,499	2,040	+ 459	− 791
2	4,152	5,524	−1,372	2,509	2,052	+ 457	− 915
3	4,393	5,644	−1,251	2,486	2,097	+ 389	− 862
4	4,375	5,737	−1,362	2,613	2,233	+ 380	− 982
1975 *1*	4,674	5,591	− 917	2,664	2,314	+ 350	− 567
2	4,601	5,275	− 674	2,708	2,388	+ 320	− 354
3	4,845	5,854	−1,009	2,771	2,429	+ 342	− 667
4	5,343	5,979	− 636	2,976	2,539	+ 437	− 199
1976 *1*	5,654	6,204	− 550	3,256	2,760	+ 496	− 54
2	6,160	7,109	− 949	3,510	2,866	+ 644	− 305
3	6,509	7,645	−1,136	3,768	3,053	+ 715	− 421
4	7,088	8,054	− 966	3,970	3,296	+ 674	− 292
1977 *1*	7,520	8,466	− 946	4,033	3,488	+ 545	− 401
2	7,921	8 700	− 779	4,064	3,538	+ 526	− 253
3	8,531	8,534	− 3	4,130	3,614	+ 516	+ 513
4	8,176	8,192	− 16	4,187	3,659	+ 528	+ 512
1978 *1*	8,408	9,004	− 596	4,257	4,030	+ 227	− 369
2	8,753	8,926	− 173	4,398	4,017	+ 381	+ 208
3	9,051	9,418	− 367	4,702	4,181	+ 521	+ 154
4	9,220	9,259	− 39	4,728	4,239	+ 489	+ 450
1979 *1*	8,390	9,571	−1,181	4,817	4,423	+ 394	− 787
2	10,491	11,052	− 561	..	..	+ 330[2]	− 231
1978 *J*	2,603	2,928	− 325	..	..		..
F	2,992	2,969	+ 23	..	..	+ 227	..
M	2,813	3,107	− 294	..	..		..
A	2,960	2,835	+ 125	..	..		..
M	2,873	3 055	− 182	..	..	+ 381	..
J	2,920	3,036	− 116	..	..		..
J	3,011	3,158	− 217	..	..		..
A	3,008	3,010	− 2	..	..	+ 521	..
S	3,032	3,250	− 218	..	..		..
O	3,073	3,037	+ 36	..	..		..
N	3,020	3,136	− 116	..	..	+ 489	..
D	3,127	3,086	+ 41	..	..		..
1979 *J*	2,810	2,936	− 126	..	..		..
F	2,565	3,331	− 766	..	..	+ 394	..
M	3,015	3,304	− 289	..	..		..
A	3,275	3,602	− 327			+ 110[2]	− 217
M	3,437	3,622	− 185			+ 110[2]	− 75
J	3,779	3,828	− 49			+ 110[2]	+ 61

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade.

[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.


£ million, seasonally adjusted
800
600
400
200
0
—200
—400
—600
—800
—1,000
—1,200
—1,400
Invisible balance
Visible trade
Current balance
1974
1975
1976
1977
1978
1979
*Projection

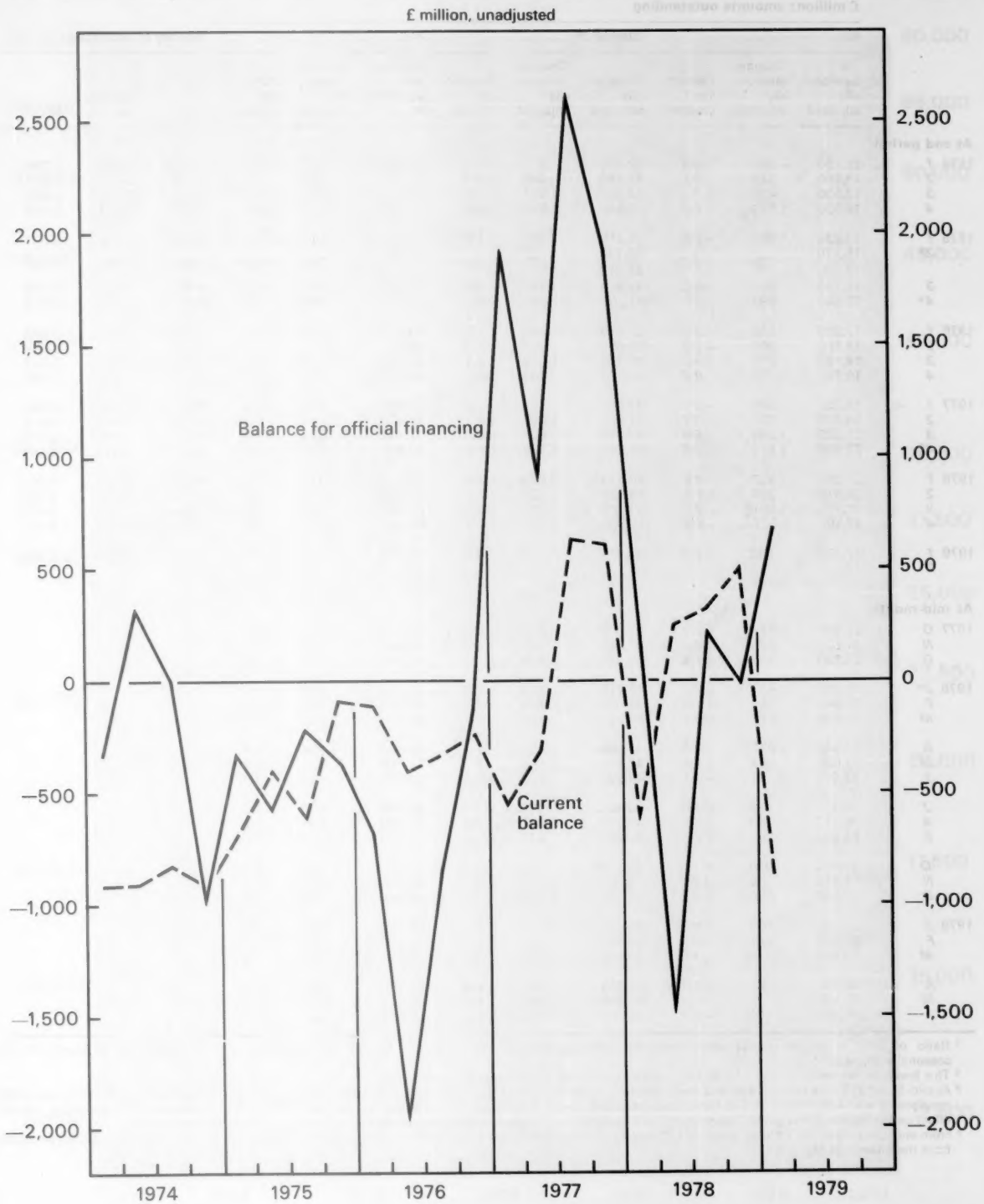
Analysis of capital transactions and official financing [1]

£ million

Not seasonally adjusted

	Investment and other capital transactions									Official financing	
	Current balance	Official long-term capital	Overseas investment in UK public sector [2]	Private sector investment (net)	Overseas currency borrowing or lending (net) by UK banks [2]	Change in external sterling liabilities	Trade credit [3] and other short-term transactions	Balancing item and other capital transactions [4]	Balance for official financing [5]	Allocation of SDR and gold subscription to IMF	Drawings on (+)/ additions to (−) official reserves [6]	Other transactions (net) [7]
1969	+ 463	− 99	− 56	− 6	− 38	+ 261	−227	+389	+ 687	—	− 44	− 643
1970	+ 731	−205	− 10	+ 56	+472	+ 459	−195	− 21	+1,287	+133	− 125	−1,295
1971	+1,101	−274	+107	+ 211	+471	+1,422	−128	+236	+3,146	+125	−1,536	−1,735
1972	+ 157	−255	+120	− 588	+471	+ 196	−613	−753	−1,285	+124	+ 692	+ 449
1973	− 967	−254	+175	− 90	+525	+ 154	−345	+ 31	− 771	—	− 228	+ 999
1974	−3,550	−276	+252	+1,169	−294	+1,558	−712	+207	−1,646	—	− 105	+1,751
1975	−1,787	−288	+ 43	+ 416	+235	− 67	− 61	+ 44	−1,465	—	+ 655	+ 810
1976	−1,072	−154	+203	− 93	−106	−1,152	−1,619	+364	−3,629	—	+ 853	+2,776
1977	+ 371	−287	+2,182	+ 929	+384	+1,462	−205	+2,525	+7,361	—	−9,588	+2,227
1978	+ 443	−315	− 81	− 723	−519	+ 182	−914	+801	−1,126	—	+2,329	−1,203
1971 *1*	+ 68	− 46	+ 70	+ 115	+ 84	+ 285	+ 70	+276	+ 922	+125	− 204	− 843
2	+ 349	− 44	+ 7	+ 55	+148	+ 277	− 98	− 91	+ 603	—	− 126	− 477
3	+ 387	− 34	+ 5	+ 54	+ 28	+ 337	+ 88	−197	+ 668	—	− 576	− 92
4	+ 297	−150	+ 25	− 13	+211	+ 523	−188	+248	+ 953	—	− 630	− 323
1972 *1*	− 17	− 42	+ 65	− 190	+114	+ 211	−165	+ 81	+ 57	+124	− 191	+ 10
2	+ 243	− 39	+ 22	− 175	−132	− 138	−375	−451	−1,045	—	+ 46	+ 999
3	− 128	− 17	+ 24	− 68	+199	− 92	− 48	+ 51	− 79	—	+ 639	− 560
4	+ 59	−157	+ 9	− 155	+290	+ 215	− 25	−434	− 198	—	+ 198	—
1973 *1*	− 366	− 55	+ 44	+ 10	+ 1	+ 170	− 57	+280	+ 27	—	− 72	+ 45
2	− 21	− 31	+ 20	+ 54	+152	+ 166	+ 39	−280	+ 99	—	− 380	+ 281
3	− 241	− 27	+ 21	− 27	+ 36	− 415	−190	+225	− 618	—	+ 254	+ 364
4	− 339	−141	+ 90	− 127	+336	+ 233	−137	−194	− 279	—	− 30	+ 309
1974 *1*	− 919	− 52	+ 32	+ 574	− 61	+ 179	−144	+ 52	− 339	—	+ 33	+ 306
2	− 901	− 42	+107	+ 307	+ 56	+ 386	−105	−127	− 319	—	− 116	+ 435
3	− 823	− 15	+ 30	+ 367	−346	+ 616	−121	+292	—	—	− 189	+ 189
4	− 907	−167	+ 83	− 79	+ 57	+ 377	−342	− 10	− 988	—	+ 167	+ 821
1975 *1*	− 689	− 73	+ 66	− 16	− 80	+ 247	− 33	+252	− 326	—	− 142	+ 468
2	− 398	− 39	—	− 315	+772	− 17	−262	−313	− 572	—	+ 410	+ 162
3	− 612	− 26	− 52	+ 571	− 15	− 379	+180	+120	− 213	—	+ 170	+ 43
4	− 88	−150	+ 29	+ 176	−442	+ 82	+ 54	− 15	− 354	—	+ 217	+ 137
1976 *1*	− 106	− 37	+ 9	+ 171	+ 94	− 75	−690	− 44	− 678	—	− 178	+ 856
2	− 398	− 26	+ 13	− 155	− 86	− 932	−598	+226	−1,956	—	+ 354	+1,602
3	− 331	− 9	+ 58	− 57	−272	− 137	−235	+121	− 862	—	+ 61	+ 801
4	− 237	− 82	+123	− 52	+158	− 8	− 96	+ 61	− 133	—	+ 616	− 483
1977 *1*	− 559	− 24	+498	+ 448	+421	+ 389	− 25	+765	+1,913	—	−3,197	+1,284
2	− 309	− 20	+921	+ 20	−706	− 48	− 42	+1,092	+ 908	—	−1,158	+ 250
3	+ 625	− 14	+289	+ 382	+189	+ 397	− 6	+746	+2,608	—	−3,227	+ 619
4	+ 614	−229	+474	+ 79	+480	+ 724	−132	− 78	+1,932	—	−2,006	+ 74
1978 *1*	− 614	− 26	− 3	+ 465	+115	+ 98	−360	+498	+ 173	—	+ 46	− 219
2	+ 244	− 9	− 15	− 125	−955	− 383	−420	+169	−1,494	—	+2,026	− 532
3	+ 314	− 39	− 13	− 531	+328	+ 168	+ 17	− 34	+ 210	—	− 54	− 156
4	+ 499	−241	− 50	− 532	− 7	+ 299	−151	+168	− 15	—	+ 311	− 296
1979 *1*	− 870	− 26	+226	− 235	+941	+ 615	+113	−1,284	+ 685	+195	− 955	+ 75
2												

[1] More comprehensive analyses are given in the appendix tables to the balance of payments articles in the March, June, September and December issues.
[2] Excluding borrowing under the exchange cover scheme which is included under official financing.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[4] Capital transfers and EEA loss on forward commitments.
[5] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDRs.
[6] From 23 August 1971, valued in sterling at market-related rates of exchange. From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.
[7] Includes net transactions with overseas monetary authorities and other foreign currency borrowing by HM Government and by the public bodies under the exchange cover scheme.


£ million, unadjusted
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
Balance for official financing
Current balance
1974
1975
1976
1977
1978
1979

Money stock

£ million: amounts outstanding

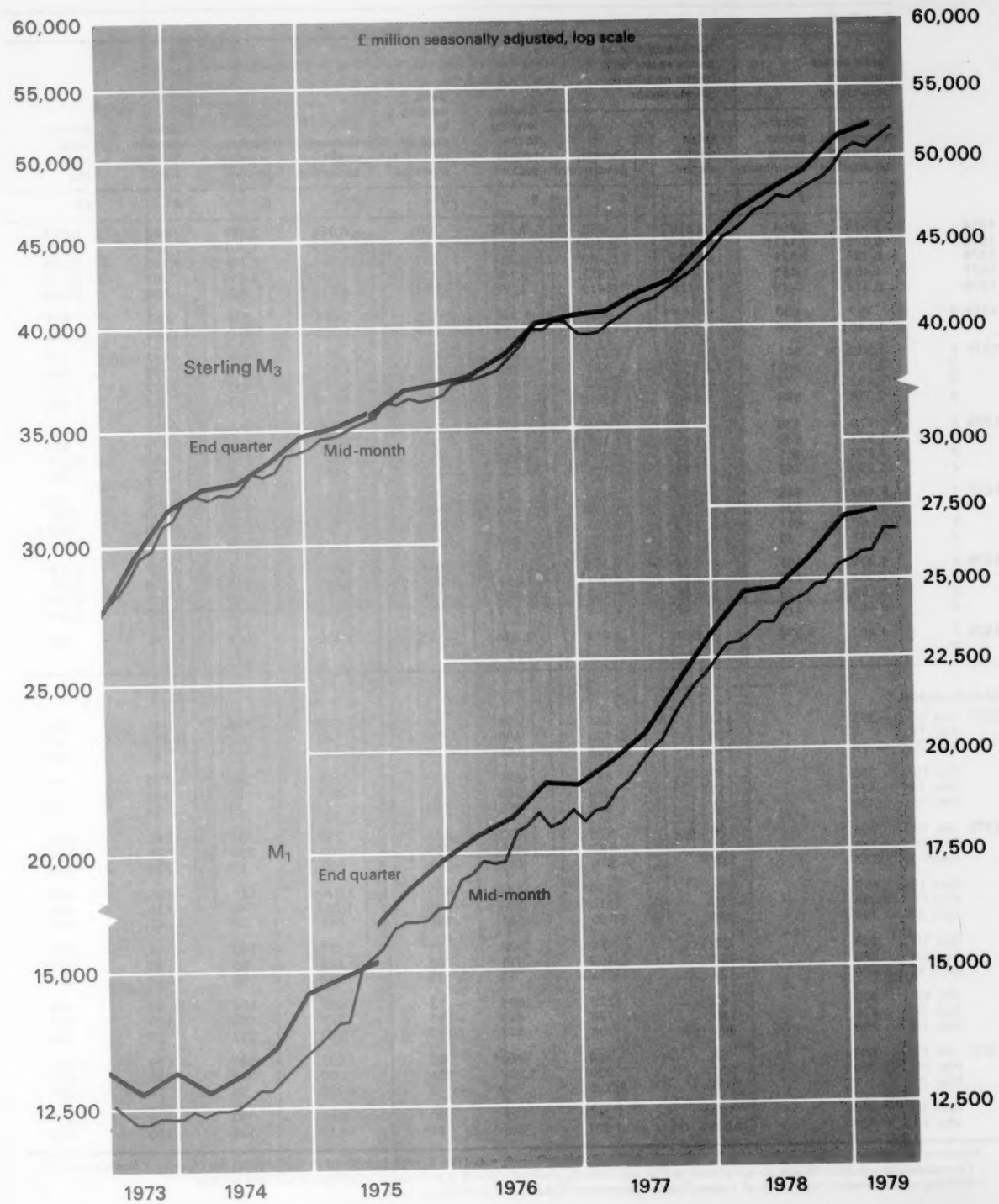
	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted §	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1974 *1*	12,750	−361	*−2·8*	32,450	870	*+2·8*	34,220	1,211	*+3·7*	5·860†	2·366	2·254
2	13,100	346	*+2·7*	32,680	240	*+0·7*	34,860	647	*+1·9*	6·290	2·497†	2·354†
3	13,530	432	*+3·3*	33,520	843	*+2·6*	36,020	1,163	*+3·3*	6·571	2·643	2·469
4	14,550	1,020	*+7·5*	34,840	1,302	*+3·9*	37,230	1,200	*+3·3*	6·404	2·631	2·455
1975 *1*	14,830	268	*+1·8*	35,210	337	*+1·0*	37,730	458	*+1·2*	6·457	2·708	2·531
2[3]	15,170	326	*+2·2*	35,730	506	*+1·4*	38,080	338	*+0·9*	6·732	2·882	2·697
	15,900			35,710			38,070					
3	16,730	830	*+5·2*	36,900	1,187	*+3·3*	39,700	1,625	*+4·3*	6·593	2·929	2·735
4[4]	17,340	593	*+3·5*	37,200	300†	*+0·8*	40,170	480†	*+1·2*	6·594	3·032	2·813
1976 *1*	17,920	555	*+3·2*	37,670	445	*+1·2*	40,820	619	*+1·5*	6·647	3·130	2·894
2	18,310	386	*+2·2*	38,650	971	*+2·6*	42,220	1,386	*+3·4*	6·662	3·162	2·907
3	19,190	879	*+4·8*	40,300	1,658	*+4·3*	44,330	2,126	*+5·0*	6·721	3·192	2·912
4	19,150	− 32	*−0·2*	40,570	294	*+0·7*	44,540	229	*+0·5*	6·849	3·247	2·955
1977 *1*	19,750	596	*+3·1*	40,800	256	*+0·6*	45,080	566	*+1·3*	6·800	3·251	2·952
2	20,470	726	*+3·7*	41,900	1,097	*+2·7*	46,570	1,485	*+3·3*	6·876	3·344	3·018
3	21,820	1,345	*+6·6*	42,710	807	*+1·9*	47,130	555	*+1·2*	6·894	3·446	3·112
4[5]	23,330	1,510	*+6·9*	44,660	1,956	*+4·6*	48,940	1,815	*+3·9*†	6·615	3·418	3·109
1978 *1*	24,250	927	*+4·0*	46,710†	2,059	*+4·6*	51,240†	2,316	*+4·7*	6·428	3·347	3·053
2	24,610†	366	*+1·5*	48,020	1,322	*+2·8*	53,260	2,023	*+3·9*	6·507	3·356	3·042
3	25,790	1,181†	*+4·8*	49,260	1,245	*+2·6*	54,180	942	*+1·8*	6·555	3·396	3·075
4	27,190	1,397	*+5·4*	51,380	2,138	*+4·3*	56,250	2,079	*+3·8*	6·370	3·353	3·056
1979 *1*	27,430	248	*+0·9*	52,100	728	*+1·4*	56,760	526	*+0·9*	6·191	3·268	2·992
2												
At mid-month												
1977 *O*	21,360	489	*+2·3*	42,570	400	*+0·9*	46,550	162	*+0·3*	..	..	..
N	21,800	445	*+2·1*	42,880	322	*+0·8*	46,600	68	*+0·1*	..	..	..
D	22,120	332	*+1·5*	43,440	575	*+1·3*	47,240	651	*+1·4*	..	..	..
1978 *J*[6]	22,590	497	*+2·2*	44,210	818	*+1·9*	47,900	675	*+1·4*	..	..	..
F	22,940	351	*+1·6*	45,030	824	*+1·9*	48,800	908	*+1·9*	..	..	..
M	23,100	171	*+0·7*	45,320	296	*+0·7*	49,410	612	*+1·3*	..	..	..
A	23,340	237	*+1·0*	45,980	670	*+1·5*	50,630	1,234	*+2·5*	..	..	..
M	23,690	364	*+1·6*	46,530	566	*+1·2*	51,550	924	*+1·8*	..	..	..
J	23,660	− 28	*−0·1*	46,930	402	*+0·9*	52,020	474	*+0·9*	..	..	..
J	24,210	549	*+2·3*	47,600	670	*+1·4*	52,520	495	*+1·0*	..	..	..
A	24,370	150	*+0·6*	47,390	−225	*−0·5*	51,890	−640	*−1·2*	..	..	..
S	24,620	249	*+1·0*	47,880	477	*+1·0*	52,410†	504†	*+1·0*	..	..	..
O	24,860	235	*+1·0*	48,270	365	*+0·8*	52,900	480	*+0·9*	..	..	..
N	24,910	44	*+0·2*	48,620	343	*+0·7*	53,560	652	*+1·2*	..	..	..
D	25,500	585	*+2·3*	49,370	743	*+1·5*	54,240	664	*+1·2*	..	..	..
1979 *J*	25,720	203	*+0·8*	50,410	1,002	*+2·0*	55 120	839	*+1·5*	..	..	..
F	25,940	223	*+0·9*	50,950	531	*+1·1*	55,830	701	*+1·3*	..	..	..
M	25,950	5†	—	50,570	−387	*−0·8*	55,170	−660	*−1·2*	..	..	..
A	26,740	788	*+3·0*	51,320	743	*+1·5*	55,880	717	*+1·3*	..	..	..
M	26,740	5	—	51,980	659	*+1·3*	56,840	946	*+1·7*	..	..	..
J	26,560	−180	−0·7	52,560	582	+1·1	56,670	826	+1·5	..	..	..

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M seasonally adjusted.

[2] The break in the series at end-March 1973 shows the effect of a change in contributors.

[3] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [4] The amounts outstanding at end-December 1975 are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors.

[5] From end-December 1977 the coverage *of* UK holders of dollar certificates *of* deposit has been somewhat *expanded*: the effect of this has been excluded from the change in M_3.


£ million seasonally adjusted, log scale
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
12,500
Sterling M3
End quarter
Mid-month
M1
End quarter
Mid-month
60,000
55,000
50,000
45,000
40,000
30,000
27,500
25,000
22,500
20,000
17,500
15,000
12,500
1973
1974
1975
1976
1977
1978
1979

Domestic credit expansion and money stock

Seasonally adjusted[1]

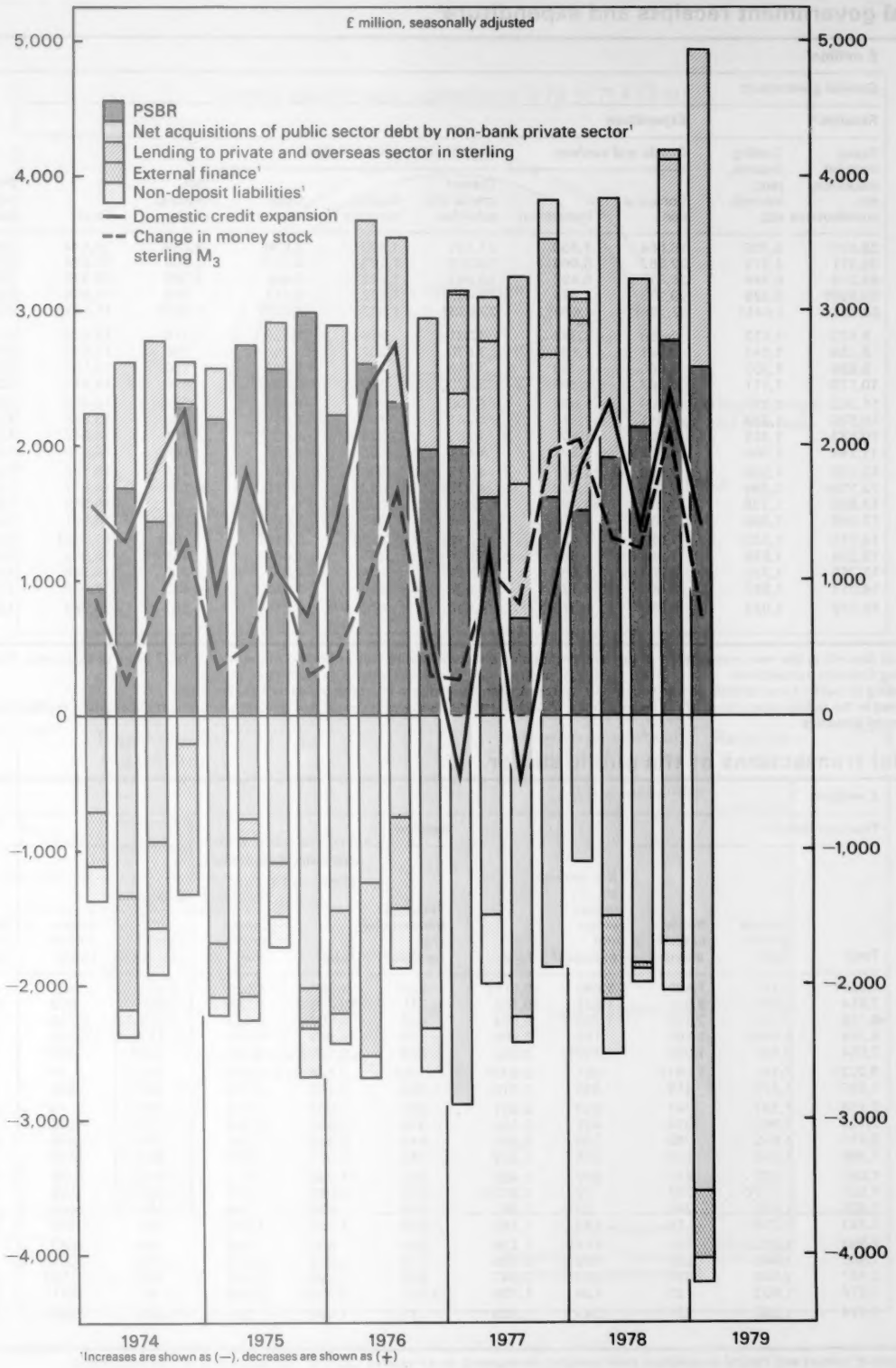
£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by the non-bank private sector							
	Central government borrowing requirement	Other public sector contribution	Other public sector	Central government	Sterling lending to the private sector[2]	Bank lending in sterling to overseas	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	1	2	3	4	5	6	7	8	9	10
1974	3,523	2,864	2,319	858	3,435	289	6,934	2,997	682	3,255
1975	8,345	2,141†	205†	5,345†	− 373	− 35	4,528†	1,301†	898	2,330
1976	6,786	2,321	296	5,460	3,466	647	7,464	2,720	1,181	3,565
1977	4,469	1,485	550	7,913	3,188	406	1,085	−3,436	391	4,132
1978	8,377	−29	−329	6,412	4,705	1,054	8,024	423	830	6,769
1974 *3*	797	650	460	480	1,302	21	1,830	634	353	843
4	1,555†	748	595	− 394	63	118	2,283	1,119	− 138	1,302
1975 *1*	1,348	841	9	1,677	499	−124	878	409	132	337
2	2,107	642†	189	557	− 294	148	1,857	1,176	175	506
3	2,492	72	− 143†	1,232	− 422	22	1,075†	− 338	227	1,187
4	2,398	586	150	1,879†	− 156	− 81	718	54†	364	300
1976 *1*	1,778	438	− 26	1,475	322	344	1,433	758	231	445
2	1,923	680	116	1,121	801	260	2,427	1,282	175	971
3	1,855	461	93	658	1,022	200	2,787	678	450	1,658
4	1,230	742	113	2,206	1,124	−157	620	2	325	294
1977 *1*	1,450	545	467	2,420	474	− 85	− 503	− 734	− 25	256
2	1,383	234	195	1,274	970	182	1,300	− 325	530	1,097
3	55	667	− 42	2,283	831	158	− 530	−1,526	189	807
4	1,581	39	− 70	1,936	897	151	802	− 851	− 303	1,956
1978 *1*	1,357	181	− 144	1,232	744	644	1,838	− 165	− 57	2,059
2	2,364	−459	− 461	1,952	1,636	291	2,341	611	409	1,322
3	2,169	−29	348	1,486	1,043	46	1,395	48	101	1,245
4	2,487	278	− 72	1,742	1,277	73	2,445	− 71	377	2,138
1979 *1*	1,207	1,376	524	3,011	2,428	− 75	1,401	499	174	728
2										
Month ended										
1977 July 20	−393		443	681	74	55	− 502	− 933	41	390
Aug. 17	6		226	920	439	107	− 142	− 392	113	137
Sept. 21	− 79		444	693	166	− 28	− 190	− 809	12	606
Oct. 19	350		− 27	884	520	129	88	− 283	− 29	400
Nov. 16	429		17	498	306	41	295	− 170	143	322
Dec. 14	430		25	537	305	121	344	− 157	− 74	575
1978 Jan. 18	796		−126	678	122	111	225	− 351	−242	818
Feb. 15	196		− 24	187	453	305	743	− 184	103	824
March 15	332		135	575	483	207	582	48	238	296
April 19	613		274	270	294	135	1,046	511	−135	670
May 17	1,088		−176	510	796	39	1,237	546	125	566
June 21	767		302	1,193	501	140	517	74	41	402
July 19	243		30	559	428	− 21	121†	− 463	− 86	670
Aug. 16	390		−468	450	311	28	− 189	− 63	99	− 225
Sept. 20	1,420		− 24	734	16	− 19	659	− 95	277	477
Oct. 18	400		− 60	228	397	− 13	496	178	− 47	365
Nov. 15	926		−186	779	443	−117	287	− 165†	109†	343
Dec. 13	789		401	709	474	137	1,092	292	57	743
1979 Jan. 17	583		156	494	495†	62	802	− 187	− 13	1,002
Feb. 21	719		331	920	1,098	−138	1,090	305	254	531†
Mar. 21	− 7		306	1,319	760	− 3	−263	95	29	−387
April 18	1,494		134†	1,340†	528	30	846	97	6	743
May 16	733		−208	521	867	61†	932	123	150	659

Relationship between columns 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 − 8 − 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.


£ million, seasonally adjusted
PSBR
Net acquisitions of public sector debt by non-bank private sector[1]
Lending to private and overseas sector in sterling
External finance[1]
Non-deposit liabilities[1]
Domestic credit expansion
Change in money stock sterling M3
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
1974
1975
1976
1977
1978
1979
[1]Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	Public expenditure[4]
			Consumption	Investment	Current grants and subsidies	Capital transfers	Debt interest			
1974	29,871	3,705	16,564	4,450	11,191	1,092	3,608	2,239	39,144	36,112
1975	38,371	4,473	22,962	5,064	14,359	1,193	4,210	3,756	51,544	47,634
1976	44,574	5,344	26,671	5,492	16,967	1,422	5,456	2,365	58,373	53,923
1977	50,990†	6,029	29,173	4,979	19,469	1,552	6,442	250	61,865	56,667
1978	56,728	6,544†	32,729†	4,670†	23,083†	1,943†	7,342†	1,706†	71,473†	65,251†
1975 *1*	9,623	1,112	5,458	1,357	3,331	376	1,138	1,210	12,870	11,849
2	8,739	1,043	5,441	1,130	3,575	201	798	790	11,935	11,072
3	9,839	1,207	5,866	1,208	3,614	297	1,242	880	13,107	12,028
4	10,170	1,111	6,197	1,369	3,839	319	1,032	876	13,632	12,685
1976 *1*	11,362	1,372	6,409	1,693	4,106	386	1,537	939	15,070	13,804
2	10,535	1,239	6,611	1,210	4,241	308	1,013	500	13,883	12,926
3	10,933	1,429	6,729	1,301	4,209	323	1,639	741	14,942	13,700
4	11,744	1,304	6,922	1,288	4,411	405	1,267	185	14,478	13,493
1977 *1*	13,230	1,568	7,020	1,572	4,712	506	1,863	431	16,104	14,712
2	12,159†	1,399	7,266	1,022	4,879	353	1,315	−178	14,657	13,592
3	12,653	1,726	7,372	1,184	4,820	330	1,758	89	15,553	13,915
4	12,948	1,336	7,515	1,201	5,058	363	1,506	−92	15,551	14,448
1978 *1*	14,745	1,723†	7,928†	1,434†	5,618†	672†	2,018†	66†	17,736†	16,069
2	13,306	1,538	7,992	954	5,671	388	1,484	469	16,958	15,665
3	13,760	1,721	8,207	1,158	5,761	424	1,977	718	18,245	16,450
4	14,917	1,562	8,602	1,124	6,033	459	1,863	453	18,534	17,067
1979 *1*	16,479	1,933	8,810	1,573	6,590	470	2,356	587	20,386	18,457
2										

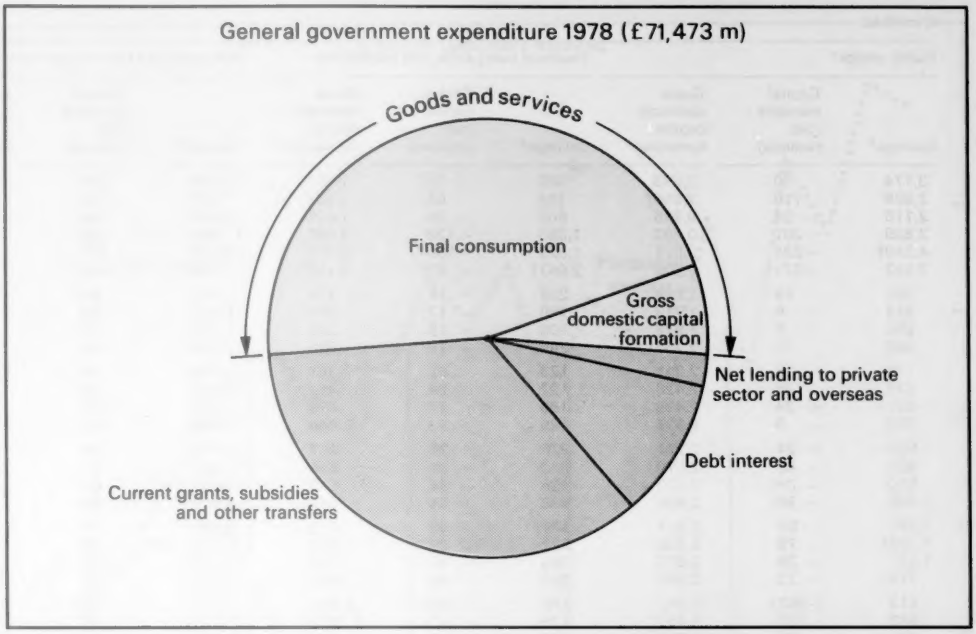
[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 7439). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

Financial transactions of the public sector

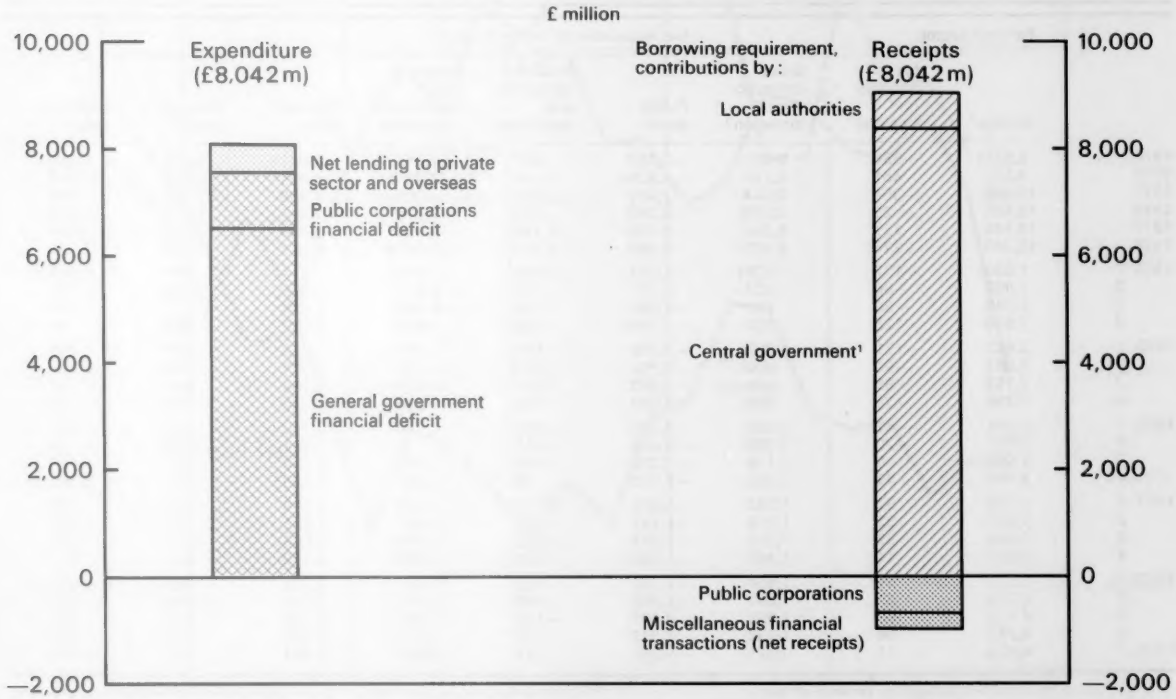
£ million

	Financial deficit[1]					Receipts					
							Borrowing requirement				
								Contributions by:			
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total [5§]
1974	4,820†	3,331	1,489†	1,696	6,516†	129†	6,387	3,523	2,107	757	6,387
1975	7,914	4,944	2,970	1,831	9,745	−741	10,486	8,345	1,629	512	10,486
1976	8,248	6,090	2,158	1,286	9,534	427	9,107	6,786	1,103	1,218	9,107
1977	5,756	4,596†	1,160	152	5,908	— 46	5,954	4,469	183	1,302	5,954
1978	7,564	6,495	1,069	478†	8,042	−306	8,348†	8,377	663†	−692†	8,348†
1975 *3*	2,222†	1,181	1,041†	451	2,673†	189†	2,484	2,253	205	26	2,564
4	1,893	1,475	418	626	2,519	−889	3,408	2,745	297	366	2,984
1976 *1*	2,138	1,397	741	363	2,501	894	1,607	1,414	188	5	2,216
2	2,123	1,609	514	431	2,554	−370	2,924	2,204	274	446	2,603
3	2,619	1,839	780	288	2,907	645	2,262	1,655	279	328	2,316
4	1,368	1,245	123	204	1,572	−742	2,314	1,513	362	439	1,972
1977 *1*	1,087	875	212	315	1,402	402	1,000	572	463	−35	1,995
2	1,501	1,277†	224	12	1,513†	−533	2,046	1,803	−256	499	1,617
3	1,825	1,085	740	22	1,847	908	939	210	269	460	722
4	1,343	1,359	— 16	−197	1,146	−823	1,969	1,884	−293	378	1,620
1978 *1*	1,393	1,202	191	−115†	1,278	677	601	534	709	−642	1,538
2	1,940	1,645	295	169	2,109	−110	2,219	2,659	−135	−305	1,905
3	2,657	2,046	611	290	2,947	648	2,299	2,259	156†	−116†	2,140
4	1,574	1,602	— 28	134	1,708	−1,521	3,229†	2,925	— 67	371	2,765†
1979 *1*	1,614	1,387	227	245	1,859	371	1,488	200	1,002	286	2,582
2											

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2. [3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations. [5] Calendar year constrained.


General government expenditure 1978 (£71,473 m)
Goods and services
Final consumption
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers

Financial transactions of the public sector 1978



¹Including borrowing matched by on-lending to local authorities and public corporations

Sector financial accounts

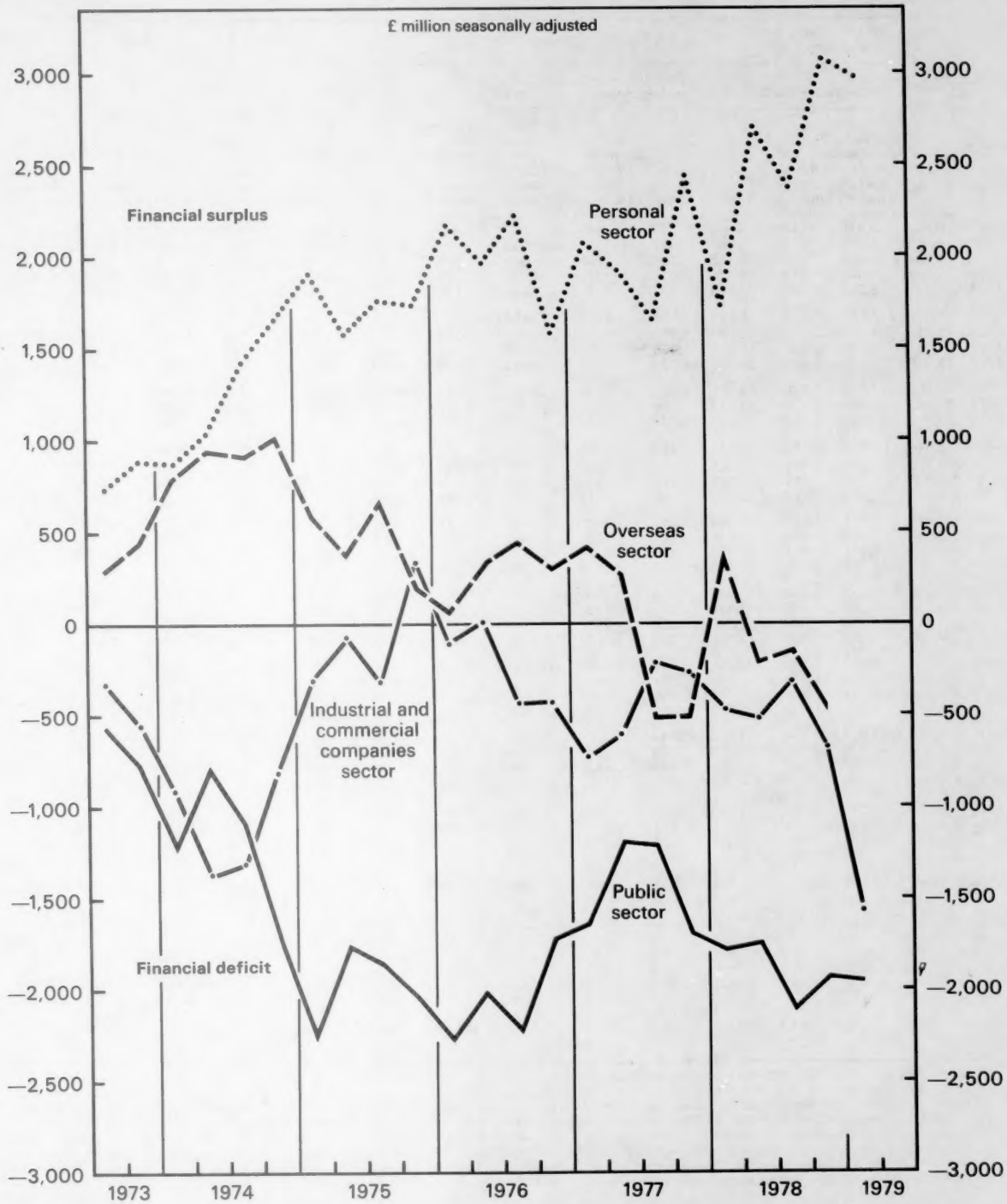
Seasonally adjusted

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1973	3,174	50	5,878	882	− 76	1,303	7,143	347	8,733
1974	2,626	110	7,556†	784	− 66	1,458	7,521	332	12,257
1975	2,115	− 34	9,995	664	− 16	1,698	8,507	404	9,292
1976	2,835	−201	10,882	1,363	−129	2,036	11,804	358	13,140
1977	4,349†	−234	9,871	1,329	−150	2,377	12,605	257	14,683
1978	2,812	−571†	9,805	2,047†	− 65†	3,101†	12,958†	363†	15,308†
1974 *1*	386	69	1,699	239	− 14	374	1,952	82	2,948†
2	942	− 6	1,713	195	− 17	361	1,933	90	3,398
3	895	− 9	1,976	105	− 18	342	1,780	77	3,160
4	403	56	2,168†	245	− 17	381	1,856	83	2,751
1975 *1*	110	− 35	2,341	123	62	361	1,940	94	2,349
2	632	34	2,420	127	− 28	412	2,047	84	2,205
3	671	− 24	2,499	189	− 27	479	1,957	116	2,399
4	702	− 9	2,735	225	− 23	446	2,563	110	2,339
1976 *1*	506	− 24	2,774	220	− 26	457	2,476†	91	2,675
2	803	− 42	2,770	220	− 35	496	2,883	97	2,975
3	510	− 39	2,703	425	− 34	543	3,026	82	3,551
4	1,016	− 96	2,635	498	− 34	540	3,419	88	3,939
1977 *1*	1,075	− 94	2,627	374†	− 33	513	3,309	75	4,123
2	1,208†	− 79	2,326	321	− 39	506	3,246	86	3,933
3	1,347	− 39	2,522	366	− 40	702	3,048	47	3,310
4	719	− 22	2,396	268	− 38	656	3,002	49	3,317
1978 *1*	810	−252†	2,342	275	69†	826	2,940	129†	3,545
2	843	−133	2,455	476	− 42	783†	3,316	88	3,925
3	531	− 92	2,542	630	− 42	693	3,402	68	3,784
4	628	− 94	2,466	666	− 50	799	3,300	78	4,054
1979 *1*	595	− 12	2,533	770	− 66	831	3,284	67	4,923

	Personal sector			Net acquisition of financial assets[4]					
	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[3]	Residual error[6]
1973	5,974†	−380	2,953	−2,654	−497	−1,243	2,641†	1,026	727†
1974	8,589	−451	3,144	−4,820†	−740	−4,404	4,994	3,625	1,345
1975	10,958	−354	3,644	−7,914	−1,050	−381	6,960	1,787	598
1976	12,485	− 28	4,529	−8,248	−802	−978	7,928	1,072	1,028
1977	13,445	127	5,383	−5,756	−1,198	−1,821	8,089	−371	1,057
1978	16,249	273†	6,649†	−7,564	−1,119†	−1,987†	9,873	−443	1,240
1974 *1*	1,836†	−137	825†	−1,244	−149	−914†	874†	791	642†
2	1,959	− 96	823	− 777	−183	−1,375	1,040	944	351
3	2,248	− 90	740	−1,090	−255	−1,303	1,418	902	328
4	2,546	−128	756	−1,709†	−153	−812	1,662	988	24
1975 *1*	2,862	−121	832	−2,266	−176	−315	1,909	567	281
2	2,547	− 90	890	−1,754	−313	− 74	1,567	354	220
3	2,753	− 65	934	−1,852	−317	−326	1,754	667	74
4	2,796	− 78	988	−2,042	−244	334	1,730	199	23
1976 *1*	3,241	− 41	1,038	−2,292	−263	−108	2,162	54	447
2	3,041	− 20	1,060	−2,009	−311	5	1,961	305	49
3	3,407	− 9	1,179	−2,232	−152	−443	2,219	421	187
4	2,796	42	1,252	−1,715	− 76	−432	1,586	292	345
1977 *1*	3,305	52	1,283	−1,646	−172†	−739	2,074	401	82
2	3,197	32	1,318	−1,197	−224	−601	1,911	253	−142
3	2,946	32	1,320	−1,214	−376	−215	1,658	−513	660
4	3,897	11	1,462	−1,699	−426	−266	2,446	−512	457
1978 *1*	3,173	54†	1,504	−1,784	−482	−476	1,723	369	650
2	4,219	87	1,607	−1,745	−349	−521	2,699	−208	124
3	4,115	66	1,805	−2,103	−105	−314	2,376	−154	300
4	4,742	66	1,733	−1,932	−183	−676	3,075	−450	166
1979 *1*	4,578	11	1,625	−1,950	−127	−1,572	2,964	787	−102

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
[6] The residual error in the national income accounts.


£ million seasonally adjusted
3,000
2,500
2,000
1,500
1,000
500
0
—500
—1,000
—1,500
—2,000
—2,500
—3,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1973
1974
1975
1976
1977
1978
1979

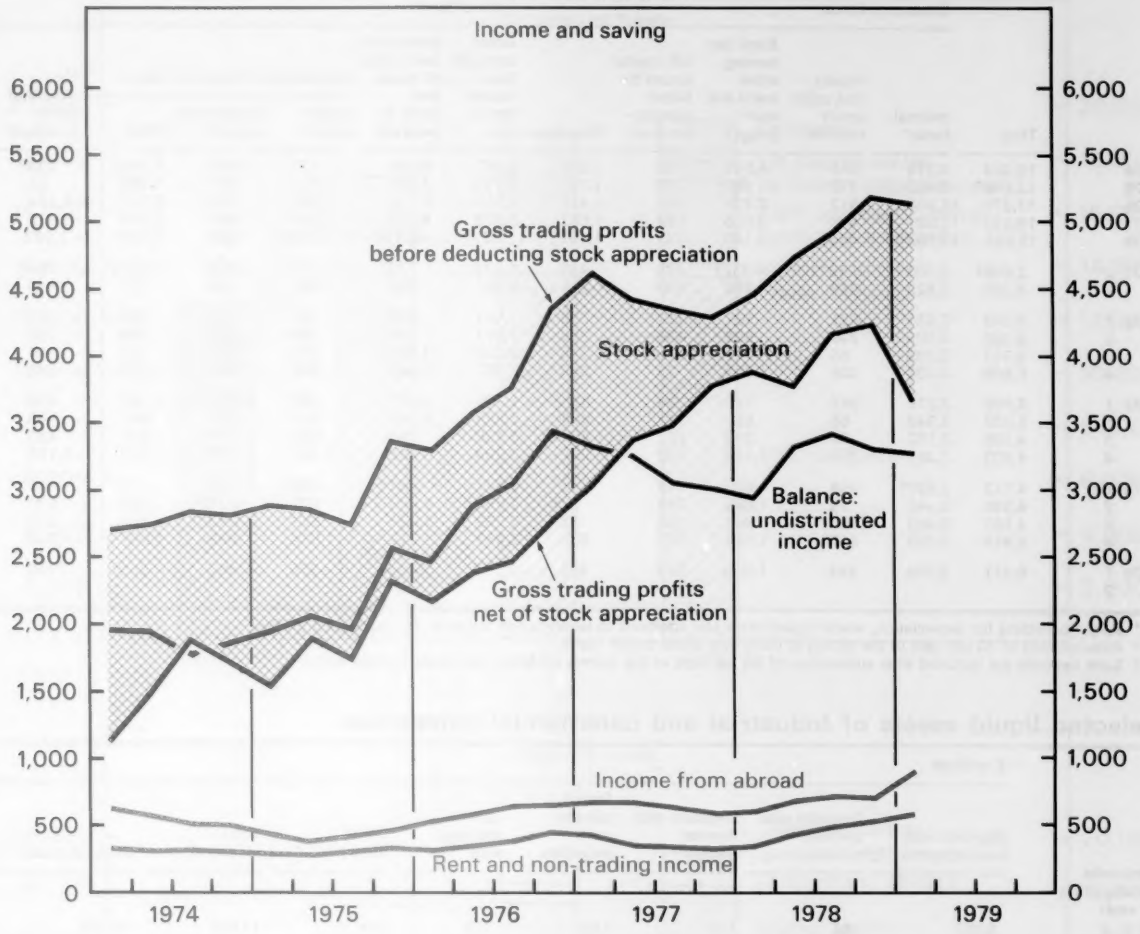
Appropriation account of industrial and commercial companies

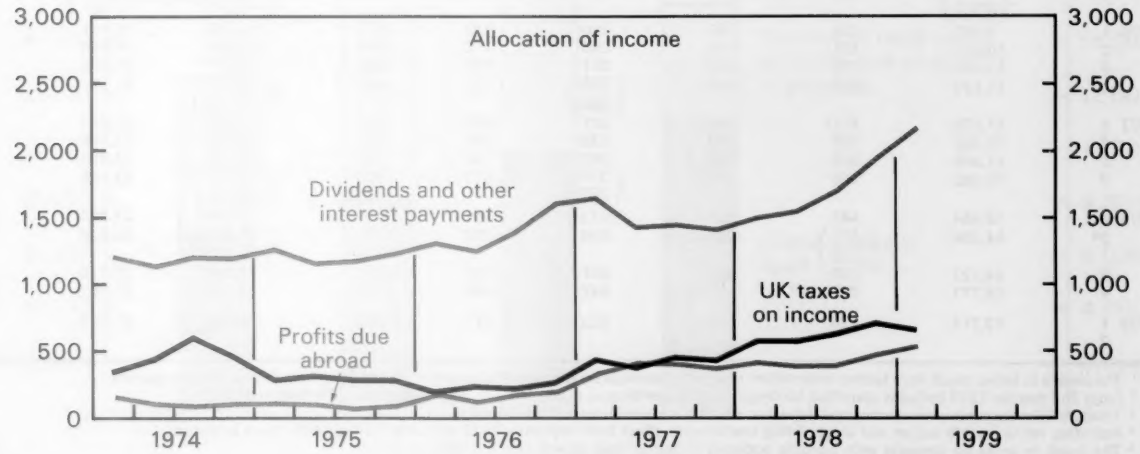
£ million Seasonally adjusted

	Income							Allocation of income						
		Income arising in the United Kingdom						Dividends and interest, etc.						
		Gross trading profits			Rent and non-trading income									
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1967	6,003	4,815	149	4,964	377	96	662	1,463	941	548	206	941	2,452	514
1968	6,854	5,172	470	5,642	457	139	755	1,434	1,067	656	311	919	3,123	705
1969	7,604	5,564	591	6,155	504	165	945	1,554	1,219	756	259	1,013	3,559	819
1970	7,984	5,608	838	6,446	514	151	1,024	1,378	1,301	799	322	1,297	3,686	1,041
1971	8,727	6,297	888	7,185	518	135	1,024	1,530	1,320	792	397	1,104	4,376	1,334
1972	9,906	7,128	1,036	8,164	628	196	1,114	1,524	1,510	969	549	1,082	5,241	1,592
1973	12,832	7,398	2,352	9,750	1,029	501	2,053	1,638	2,365	1,806	665	1,021	7,143	2,360
1974	14,671	6,191	4,867	11,058	1,325	695	2,288	1,469	3,340	2,716	525	1,816	7,521	4,012
1975	15,021	7,463	4,457	11,920	1,309	619	1,792	1,608	3,309	2,674	447	1,150	8,507	3,453
1976	19,111	9,810	5,151	14,961	1,613	814	2,537	1,852	3,815	3,156	744	896	11,804	4,116
1977	21,825	13,665	3,978	17,643	1,526	651	2,656	2,242	3,757	3,068	1,578	1,643	12,605	3,884
1978	23,901	1,6083	3,150	19,233	1,892	855	2,776	2,706	4,055	3,480	1,717	2,465	12,958	3,641
1973 *1*	2,944	2,006	341	2,347	219	96	378	526	505	386	188	189	1,536	483
2	3,140	1,878	483	2,361	218	90	561	511	522	392	171	151	1,785	486
3	3,284	1,832	711	2,543	272	134	469	319	609	454	151	318	1,887	611
4	3,464	1,682	817	2,499	320	181	645	282	729	574	155	363	1,935	780
1974 *1*	3,678	1,121	1,574	2,695	340	192	643	432	792	647	170	332	1,952	938
2	3,652	1,489	1,242	2,731	326	170	595	355	811	657	126	427	1,933	1,068
3	3,692	1,874	953	2,827	334	172	531	357	855	691	103	597	1,780	1,024
4	3,649	1,707	1,098	2,805	325	161	519	325	882	721	126	460	1,856	982
1975 *1*	3,650	1,531	1,347	2,878	315	150	457	431	868	711	125	286	1,940	896
2	3,649	1,890	1,056	2,946	298	130	405	377	800	641	122	303	2,047	863
3	3,517	1,734	1,006	2,740	332	157	445	389	801	637	95	275	1,957	979
4	4,205	2,308	1,048	3,356	364	182	485	411	840	685	105	286	2,563	715
1976 *1*	4,204	2,182	1,111	3,293	342	159	569	487	848	673	200	193	2,476	947
2	4,555	2,386	1,179	3,565	381	181	609	431	873	709	136	232	2,883	986
3	4,835	2,461	1,289	3,750	408	204	677	449	953	787	194	213	3,026	1,122
4	5,517	2,781	1,572	4,353	482	270	682	485	1,141	987	214	258	3,419	1,061
1977 *1*	5,755	3,032	1,581	4,613	443	230	699	572	1,102	917	353	419	3,309	1,008
2	5,474	3,375	1,031	4,406	373	156	695	508	928	759	417	375	3,246	1,009
3	5,361	3,469	872	4,341	364	143	656	555	906	733	414	438	3,048	933
4	5,235	3,789	494	4,283	346	122	606	607	821	659	394	411	3,002	934
1978 *1*	5,435	3,899	534	4,433	375	141	627	704	804	642	420	567	2,940	881
2	5,860	3,783	924	4,707	452	203	701	625	951	808	402	566	3,316	920
3	6,138	4,165	740	4,905	502	235	731	615	1,093	946	403	625	3,402	964
4	6,468	4,236	952	5,188	563	276	717	762	1,207	1,084	492	707	3,300	876
1979 *1*	6,671	3,638	1,500	5,138	605	299	928	816	1,372	1,220	549	650	3,284	1,051
	Percentage change, quarter on corresponding quarter of previous year													
1978 *1*	*− 5·6*	*+28·6*	*−66·2*	*− 3·9*	*−15·4*	*−38·7*	*−10·3*	*+23·1*	*−27·0*	*−30·0*	*+ 19·0*	*+ 35·3*	*−11·2*	*−12·6*
2	*+ 7·1*	*12·1*	*−10·4*	*+ 6·8*	*+21·2*	*+30·1*	*+0·9*	*+23·0*	*+ 2·5*	*+ 6·5*	*− 3·6*	*+ 50·9*	*+ 2·2*	*− 8·8*
3	*+14·5*	*20·1*	*−15·1*	*+13·0*	*+37·9*	*+64·3*	*+11·4*	*+10·8*	*+20·6*	*+29·1*	*− 2·7*	*+ 42·7*	*+11·6*	*+ 3·3*
4	*+23·6*	*11·8*	*+92·7*	*+21·1*	*+62·7*	*+126·2*	*+18·3*	*+25·5*	*+47·0*	*+64·5*	*+ 24·9*	*+ 72·0*	*+ 9·9*	*− 6·2*
1979 *1*	*+22·7*	*−6·7*	*+180·9*	*+15·9*	*+61·3*	*+112·1*	*+48·0*	*+15·9*	*+70·7*	*+90·0*	*+ 30·7*	*+ 14·6*	*+11·7*	*+19·3*
2														

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memoranda.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and financial companies and institutions accruals of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973). Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the first quarter of 1979 the amount of advance corporation tax included was £378 million.
[5] Before providing for depreciation, stock appreciation and additions to reserves.

£ million, seasonally adjusted





Sources and uses of capital funds of industrial and commercial companies

£ million

	Sources of funds						Uses of funds					
									Acquisition of financial assets			
	Total	Internal funds[1]	Import and other credit received	Bank borrowing, other loans and mortgages[2]	UK capital issues by listed companies (net)	Overseas	Gross domestic fixed capital formation	Increase in book value of stocks and work in progress	Liquid assets[3]	Investment abroad	Other	Unidentified items (residual)
1974	14,588	7,719	685	4,521	70	1,593	6,062	6,195	141	825	1,142†	223†
1975	12,648†	8,907	272	960†	1,252	1,257	6,734	2,558	1,813	191	1,288	64
1976	17,370	11,268	912	2,935	827	1,428	8,014	5,126	1,889	716	2,791	−1,166
1977	19,030	13,027	586	3,098	662	1,657	9,678	5,005	2,954	645	2,160	−1,412
1978	19,595	13,705†	490†	3,160	741	1,499†	11,031†	4,277†	2,815†	854	2,201	−1,583
1975 *3*	2,658†	2,102	−18	−332†	420	486	1,832	477	1,374	−209	−422†	− 394†
4	4,299	2,829	319	350	430	371	1,807	743	482	30	757	480
1976 *1*	3,340	2,434	221	−121	228	578	1,611	924	145	121	689	− 150
2	4,595	2,704	240	956	436	259	1,917	990	724	205	955	− 196
3	3,927	2,592	55	792	140	348	2,229	1,350	696	135	81	− 564
4	5,508	3,538	396	1,308	23	243	2,257	1,862	324	255	1,066	− 256
1977 *1*	4,956	3,271	267	749	34	635	1,964	2,022	126	205	− 46	685
2	5,023	3,343	68	850	344	418	2,495	1,368	545	377	806	− 568
3	4,158	3,132	46	395	182	403	2,435	657	922	42	528	− 426
4	4,893	3,281	205	1,104	102	201	2,784	958	1,361	21	872	−1,103
1978 *1*	4,712	2,997†	254	600	18	843	2,571	891†	438†	43	−72	841
2	4,830	3,441	− 18	1,030	345	32†	2,758†	1,148	825	−70†	969	− 800
3	4,137	3,658	−194	366	265	42	2,759	1,024	516	313	−197	− 278
4	5,916	3,609	448†	1,164	113	582	2,943	1,214	1,036	568	1,501	−1,346
1979 *1*	6,411	3,360	444	1,929	213	465	2,665	2,122	−370	462	−258	1790
2												

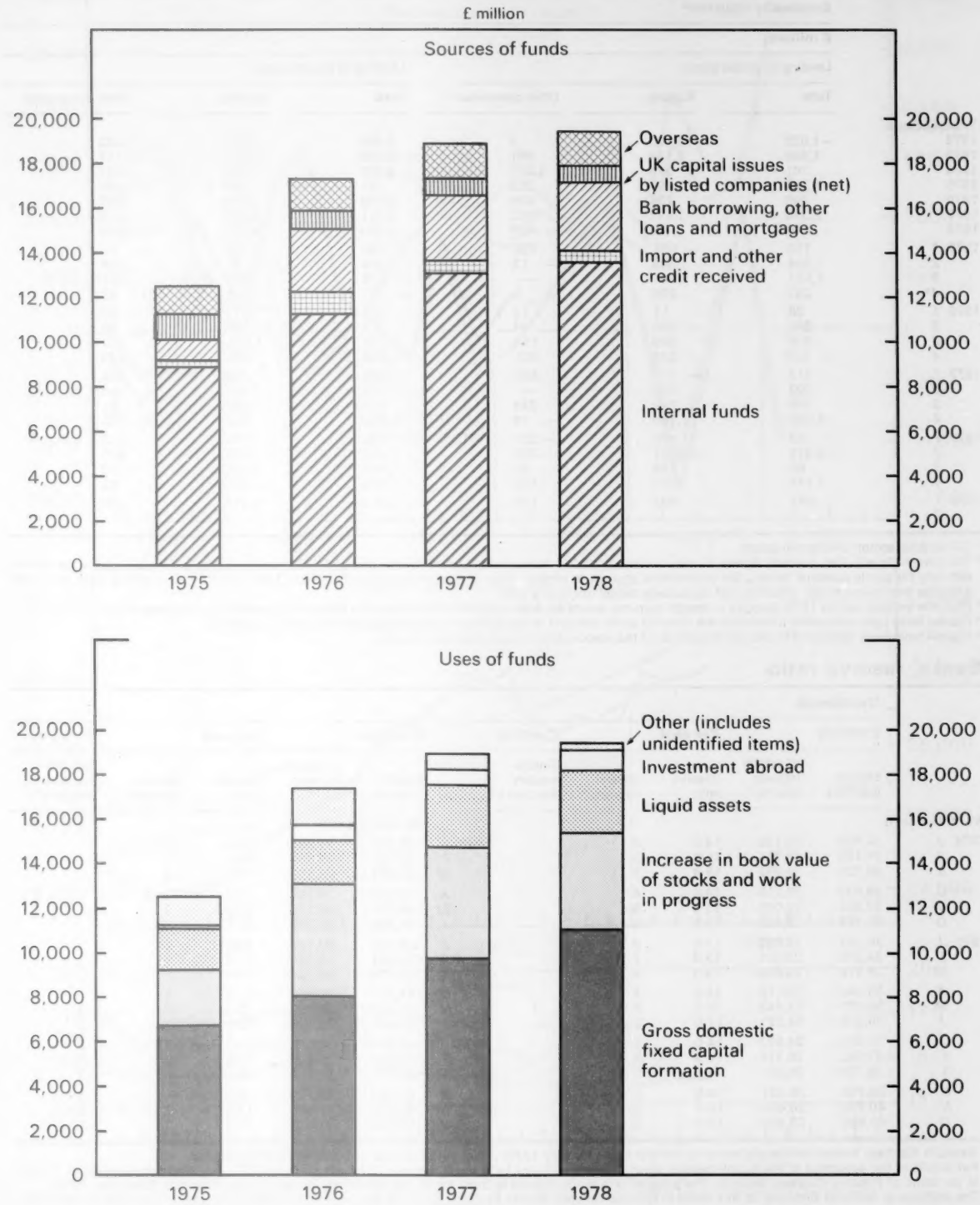
[1] Before providing for depreciation, stock appreciation and additions to reserves and adjusted for unremitted profits.
[2] After addition of 40 per cent of the excess of debit over credit transit items.
[3] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items.

Selected liquid assets of industrial and commercial companies

£ million

Amounts outstanding at end:	Deposits with banking sector[1,2,3]	Deposits with building societies	Deposits with finance houses[1]	British government securities	Local authority debt	Other identified[1,4]	Total identified[1]	Bank advances[1,5]
1975 *3*	9,482	184	159	149	723	386	11,081	18,188
4	9,744 / 9,734	185	136	175	741	356	11,337 / 11,327	18,362 / 18,466
1976 *1*	9,697	222	183	216	730	567	11,615	18,461
2	10,252	251	193	255	712	690	12,353	19,840
3	11,002	273	203	257	706	430	12,871	20,650
4	11,174	289	210	298 / 289	932	240	13,137 / 13,128	21,778
1977 *1*	11,225	311†	201	301	867	301	13,208	22,047
2	11,463	359	224	336	783	464	13,629	22,808
3	11,940	399	220	353	705	753	14,370	22,998
4	12,982	456	214	377 / 437	577	689 / 710	15,295 / 15,376	23,459
1978 *1*	13,484	481	211	419	591	549†	15,735†	23,854
2[6]	14,208	461 / 333	256	439	591	465	16,420 / 16,292	25,220
3	14,127	314	258	447	616	682	16,444	25,175
4	14,777	293	230	447	666	786	17,199	25,962
1979 *1*	13,719	334	233	522	717	1,160	16,675	27,282
2								

[1] The breaks in series result from further information regarding holdings by sector and changes to the banking and finance houses sectors.
[2] From 2nd quarter 1973 includes identified holdings of dollar certificates of deposit. [3] After deducting 60% item in transit.
[4] Treasury bills, tax reserve certificates, tax deposit accounts, and certificates of tax deposits.
[5] Including refinanceable export and shipbuilding credits with effect from mid-May 1972 and after addiing 40% items in transit.
[6] The break in series for deposits with building societies is due to new returns from building societies.


£ million
Sources of funds
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
1975
1976
1977
1978
Overseas
UK capital issues by listed companies (net)
Bank borrowing, other loans and mortgages
Import and other credit received
Internal funds
Uses of funds
Other (includes unidentified items)
Investment abroad
Liquid assets
Increase in book value of stocks and work in progress
Gross domestic fixed capital formation

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1972	−1,026	−1,030	4	6,434	5,511	923
1973	1,995	1,134	861	6,828	5,671	1,157
1974	701	− 370	1,071	4,671	3,734	937
1975	3,380	3,097	283	121	− 375	496
1976	300	− 134	434	3,388	3,140	248
1977	2,373	1,691	682	4,711	3,492	1,219
1978	− 346	63	− 409	5,806	4,717	1,089
1975 *1*	113	− 185	298	190	231	− 41
2[5]	1,334	1,346	− 12	204	− 35	239
3	1,641	1,641	—	− 175	− 426	251
4[4]	292	295	− 3	− 98	− 145	47
1976 *1*	28	11	17	254	319	− 65
2	− 246	− 300	54	713	795	− 82
3	838	680	158	1,165	1,014	152
4	− 123	− 328	205	1,058	815	243
1977 *1*	312	− 191	503	1,264	708	556
2	202	202	—	1,213	1,054	159
3	795	546	249	869	808	61
4	1,080	1,150	− 70	1,349	906	443
1978 *1*	− 54	175	− 229	846	644	202
2	−1,471	−1,231	− 240	2,115	1,639	476
3	68	128	− 60	1,444	1,125	319
4	1,116	996	120	1,396	1,304	92
1979 *1*	− 981	− 833	− 148	2,710	2,417	293
2						

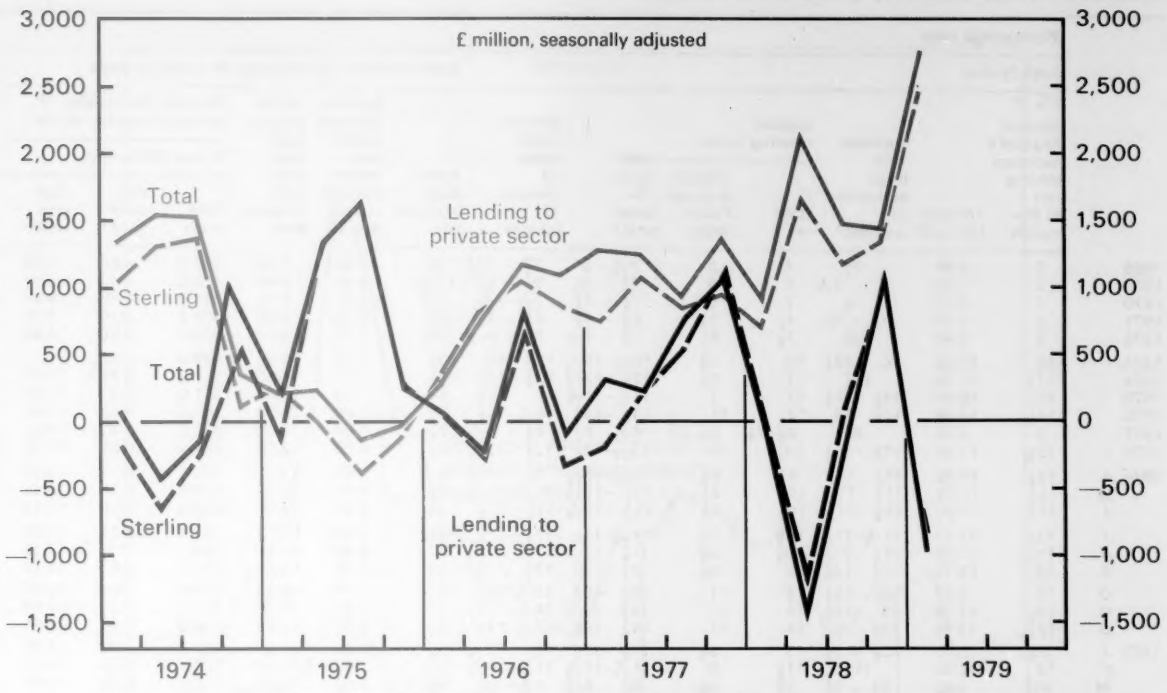
[1] UK banking sector: changes in assets.
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

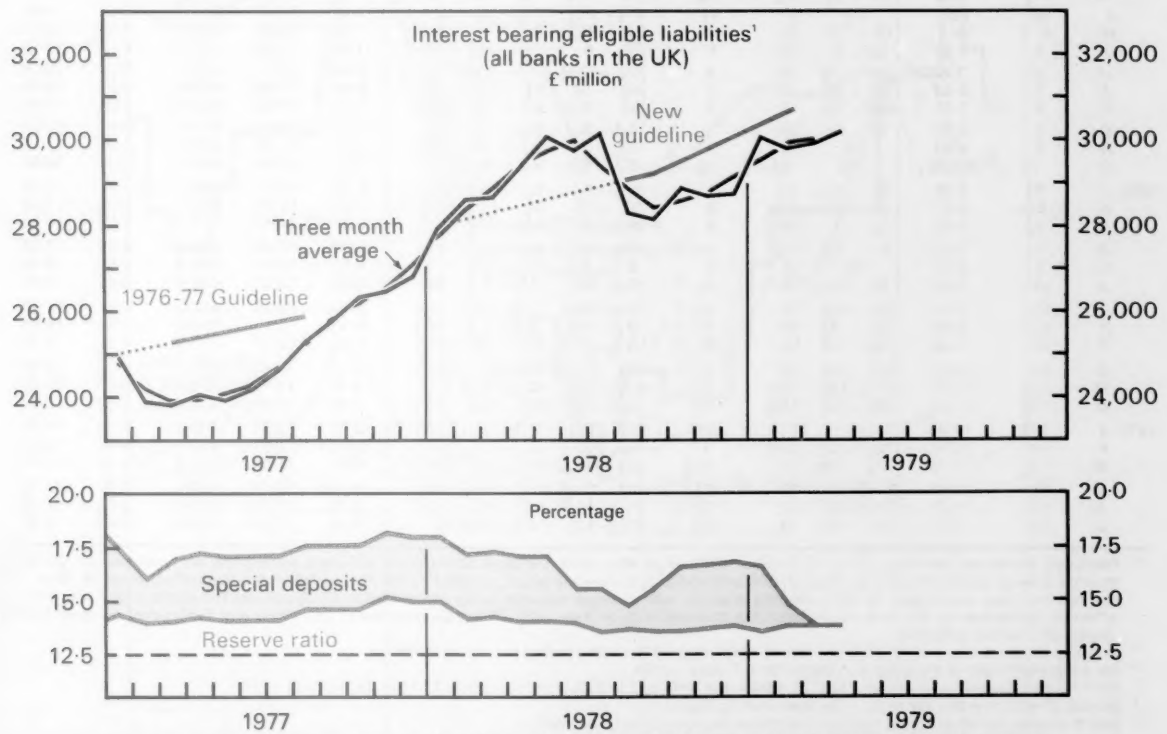
Banks' reserve ratio

Unadjusted

	£ million		Per cent		£ million		£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]
At mid-month							**At mid-month**				
1976 *J*	34,987	23,766	14·2	3		1978 *J*	41,678	27,985	14·8	3	
A	35,185	23,955	15·1	3		*F*	42,225	28,615	14·0	3	
S	35,796	24,392	15·4	3		*M*	42,557	28,680	14·2	3	
O	36,623	25,216	14·4	4		*A*	43,863	29,369	13·9	3	
N	37,281	26,085	13·9	5		*M*	44,514	30,108	13·9	3	
D	36,878	25,422	13·8	5		*J*	44,355	29,718	13·8	1½	
1977 *J*	36,148	24,996	14·4	3		*J*	45,022	30,167	13·4	2	
F	34,835	23,911	13·8	2		*A*	43,404	28,274	13·5	1	
M	34,978	23,839	13·9	3		*S*	43,508	28,141	13·4	2	
A	35,844	24,010	14·2	3		*O*[4]	44,832	28,889	13·4	3	
M	35,827	23,943	14·0	3	1	*N*	44,634	28,680	13·5	3	1
J	36,278	24,221	14·0	3	—	*D*	45,001	28,733†	13·6	3	2
J	37,094	24,672	14·0	3	1	1979 *J*	45,984†	30,079	13·4	3	2
A	37,692	25,319	14·5	3		*F*	45,554	29,775	13·6	1	3
S	38,795	25,801	14·5	3		*M*	46,083	29,911	13·6	—	2
O	39,709	26,321	14·5	3		*A*	47,507	30,180	13·6	—	1
N	40,209	26,495	15·1	3		*M*	48,407	31,356	13·5	2	5†
D	40,850	26,804	14·8	3		*J*	48,989	31,973	13·3	2	9

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.
[3] For details of the activation of the supplementary special deposit scheme between November 1976 and August 1977, see the additional notes to Table 3 in the Bank of England Quarterly Bulletin. The scheme was re-introduced in June 1978, but no payments can become due until November 1978.
[4] The addition of National Girobank to this series in October inflated eligible liabilities by £310 million and the reserve ratio by 0·1%; hitherto this bank was outside the normal credit control arrangements.





[1]Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day	Average of working days			
		Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	*Financial Times* index of industrial ordinary shares: 1 July 1935=100 — Price index	Dividend yield	Earnings yield[7]
1968		7	6·89	7¾	7	5	7 13/16 – 8	7 5/8 – 7 15/16	7½	4·50	7·39	463·3	4·05	4·99
1969		8	7·80	9 – 9 1/16	8	6	9⅜ – 9½	9⅛ – 9¼	11 7/16	5·00	8·88	419·8	4·43	5·82
1970		7	6·93	7¼	7	5	7⅛ – 7¼	7 3/16 – 7 5/16	7 7/16	5·00	9·16	361·0	4·75	6·54
1971		5	4·46	4½ – 4⅝	4½	2½	4⅝ – 4¾	4⅝ – 4¾	5⅛	5·00	9·05	386·2	4·76	6·21
1972		9	8·48	8⅜	7½	5¾	8⅞ – 9 1/16	8 13/16 – 9 1/16	5 13/16	5·25	9·11	503·8	3·26	4·98
1973		13	12·82	16 –16⅛	13	9½	16 1/16 –16 5/16	15¾ –16	10⅜	7·50	10·85	435·6	4·12	. .
1974		11½	11·30	13½	12	9½	12½ –12 3/16	12⅜ –12¾	10½	7·50	14·95	251·2	8·23	21·47
1975		11¼	10·93	11½ –11⅝	11	7	11 1/16 –11 3/16	11 –11⅛	6 1/16	7·00	14·66	311·0	6·81	19·49
1976		14¼	13·98	14¾ –15	14	11	14⅛ –14⅜	14 1/16 –14⅛	5 1/16	7·80	14·25	368·0	5·96	17·61
1977		7	6·39	6¾	6¾–7½	3½–4½	6 9/16 – 6¾	6⅜ – 6 7/16	7⅛	6·00	12·32	452·3	5·42	16·50
1978		12½	11·91	12⅜ –12½	12½	10	12 7/16–12⅝	12⅜ –12½	11 7/16	8·00	12·38	482·4	5·98	15·73
1976	*A*	10½	10·20	10⅛ –10¼	9½	5½	9 13/16–10 1/16	9⅞ – 9 15/16	5 9/16	7·00	13·97	406·0	5·13	15·17
	M	11½	11·31	11¼ –11⅜	10½	6½	11¼ –11 1/16	11 3/16–11 1/16	6⅜	6·50	13·72	406·6	5·26	15·19
	J	11½	11·30	11⅛ –11¼	10½	6½	11⅛ –11 1/16	11¼ –11⅜	6 1/16	6·50	14·01	378·6	5·69	16·14
	J	11½	11·17	11 3/16–11¼	10½	6½	11 3/16–11¼	11 3/16–11¼	5 13/16	6·50	13·95	383·8	5·74	16·44
	A	11½	11·25	11⅛ –11¼	10½	6½	11⅛ –11 3/16	11 3/16–11¼	5 13/16	6·50	14·11	368·1	6·03	17·55
	S	13	12·74	12¾ –12 7/8	12	8½	12½ –12¾	12¼ –12⅜	5⅝	6·50	14·47	344·0	6·52	19·23
	O	15	14·97	15¼ –15½	14	11	15⅛ –15⅜	15 3/16–15¼	5 7/16	6·50	15·43	293·6	7·61	23·07
	N	14¾	14·54	15 –15¼	14	11	14¾ –14 15/16	14 9/16–14 11/16	5 5/16	7·80	15·22	301·0	7·28	22·66
	D	14¼	13·98	14¾ –15	14	11	14⅛ –14⅜	14 1/16–14⅛	5 1/16	7·80	14·82	328·6	6·67	20·91
1977	*J*	12¼	12·09	12¾ –13⅜	13	9½	12⅛ –12⅜	12 –12 1/16	5½	7·80	13·67	374·7	6·01	18·69
	F	12	11·06	11⅜	11½	8	11 5/16–11 9/16	11⅛ –11 3/16	5 3/16	7·80	13·47	393·8	5·83	18·77
	M	10½	9·57	9½ – 9⅝	9½	6½	9⅜ – 9 1/16	9 9/16– 9⅝	5 7/32	7·80	12·85	418·2	5·39	16·91
	A	8¼	7·64	8⅛	9	4½	7 15/16– 8 1/16	7 13/16– 7⅞	5 5/16	7·80	12·55	415·1	5·51	16·82
	M	8	7·57	7¾ – 7⅞	8½	4	7 11/16– 7 15/16	7 11/16– 7⅞	6 1/16	7·00	12·41	456·7	5·08	15·54
	J	8	7·60	7⅞ – 8	8½	4	7⅞ – 8	7⅞ – 7 15/16	5 5/16	7·00	12·85	450·5	5·19	15·83
	J	8	7·44	7⅝ – 7¾	8½	4	7⅝ – 7 13/16	7 9/16– 7 11/16	6¼	6·70	13·11	443·1	5·37	16·09
	A	7	6·52	6⅝ – 6¾	8	4	6⅝ – 6¾	6⅝ – 6 11/16	6⅝	6·70	12·56	478·6	5·23	15·26
	S	6	5·37	5 13/16– 5⅞	7	3	5¾ – 5 13/16	5⅞ – 5 15/16	6 29/32	6·70	11·52	522·8	5·08	14·98
	O	5	4·53	4¾ – 5	6	3	4 3/16– 5	4 3/16– 4 5/16	7½	6·70	10·84	511·9	5·26	15·55
	N	7	6·53	6¾	6	3	6½ – 7⅛	6⅝ – 6 11/16	7 3/32	6·00	11·04	480·5	5·56	16·72
	D	7	6·39	6¾	6¾–7½	3½–4½	6 9/16– 6¾	6⅜ – 6 7/16	7⅛	6·00	10·90	481·6	5·56	16·83
1978	*J*	6½	5·85	6¼ – 6 5/16	6½	3	6 5/16– 6½	6⅛ – 6¼	7 1/32	6·00	10·67	482·3	5·57	16·96
	F	6½	6·07	6⅝ – 6¾	6½	3	6⅝ – 6¾	6⅝ – 6¾	7 3/16	5·50	11·21	457·9	5·85	17·74
	M	6½	6·02	6⅝ – 7	6½	3	6 13/16– 7	6 11/16– 6 13/16	7 9/16	5·50	11·18	454·9	5·94	17·51
	A	7½	7·12	8 – 8⅛	7½	4	8 3/16– 8⅛	8⅛ – 8 1/16	7 23/32	5·50	11·65	460·9	5·85	17·25
	M	9	8·67	9¼	9	6	9 3/16– 9 7/16	9 3/16– 9¼	7 15/16	5·50	12·07	476·6	5·58	16·86
	J	10	9·49	9⅞ –10 1/16	10	6½–7	10 1/16–10½	9 15/16–10 1/16	8 21/32	5·50	12·31	466·1	5·68	16·65
	J	10	9·33	10⅛ –10¼	10	6½–7	9 13/16–10 3/16	9 13/16– 9 15/16	8 17/32	6·70	12·20	472·2	5·62	17·06
	A	10	9·03	9½ – 9⅝	10	6½–7	9 3/16– 9⅝	9 3/16– 9 5/16	8 25/32	6·70	12·15	508·8	5·28	15·88
	S	10	9·38	9⅜ – 9⅝	10	6½–7	9 7/16– 9 1/2	9½ – 9⅝	9 1/16	6·70	12·17	516·0	5·21	15·02
	O	10	10·56	10⅜ –10⅞	10	6½–7	10⅜ –11 1/16	10 11/16–11	11 9/32	6·70	12·42	497·5	5·42	15·09
	N	12½	11·91	12 3/16–12 5/16	12½	10	12 1/16–12½	12 1/16–12 3/16	11⅜	6·70	12·63	476·9	5·86	15·86
	D	12½	11·91	12⅜ –12½	12½	10	12 3/16–12⅝	12⅜ –12½	11 13/16	8·00	12·38	482·4	5·98	15·73
1979	*J*	12¼	12·46	13	12½	10	13 –13⅛	12 9/16–12 11/16	10 31/32	8·00	12·51	474·1	6·10	16·01
	F	14	12·61	13⅛ –13⅜	13½	11	12⅞ –13 3/16	12 11/16–13	10 27/32	8·00	12·63	460·2	6·18	16·16
	M	13	11·78	12⅜ –12½	13	10½	12 1/16–12 5/16	12 –12⅛	10 9/16	8·00	11·36	511·5	5·53	14·54
	A	12	11·61	11 13/16–12	12	9½	11⅜ –11 13/16	11 9/16–11 11/16	11 1/16	8·00	10·68	537·4	5·37	14·32
	M	12	11·79	11 13/16–12	12	9½	11 13/16–11 15/16	11½ –11⅞	10 9/16	8·00	11·02	528·5	5·56	14·90
	J	14	13·71	14 –14¼	14	11½	13 1/16–14⅛	13 1/16–13 1/16	11	8·00	11·39	489·5	5·93	15·82

[1] Previously known as Bank Rate. From 13 October 1972 to 24 May 1978, the Bank of England's minimum lending rate was normally set ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼% above. With effect from 25 May 1978 the rate has been determined by administrative decision with changes normally being announced at 12.30 p.m. on Thursdays; a new rate becomes effective, for lending by the Bank, immediately. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics (HMSO)*.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

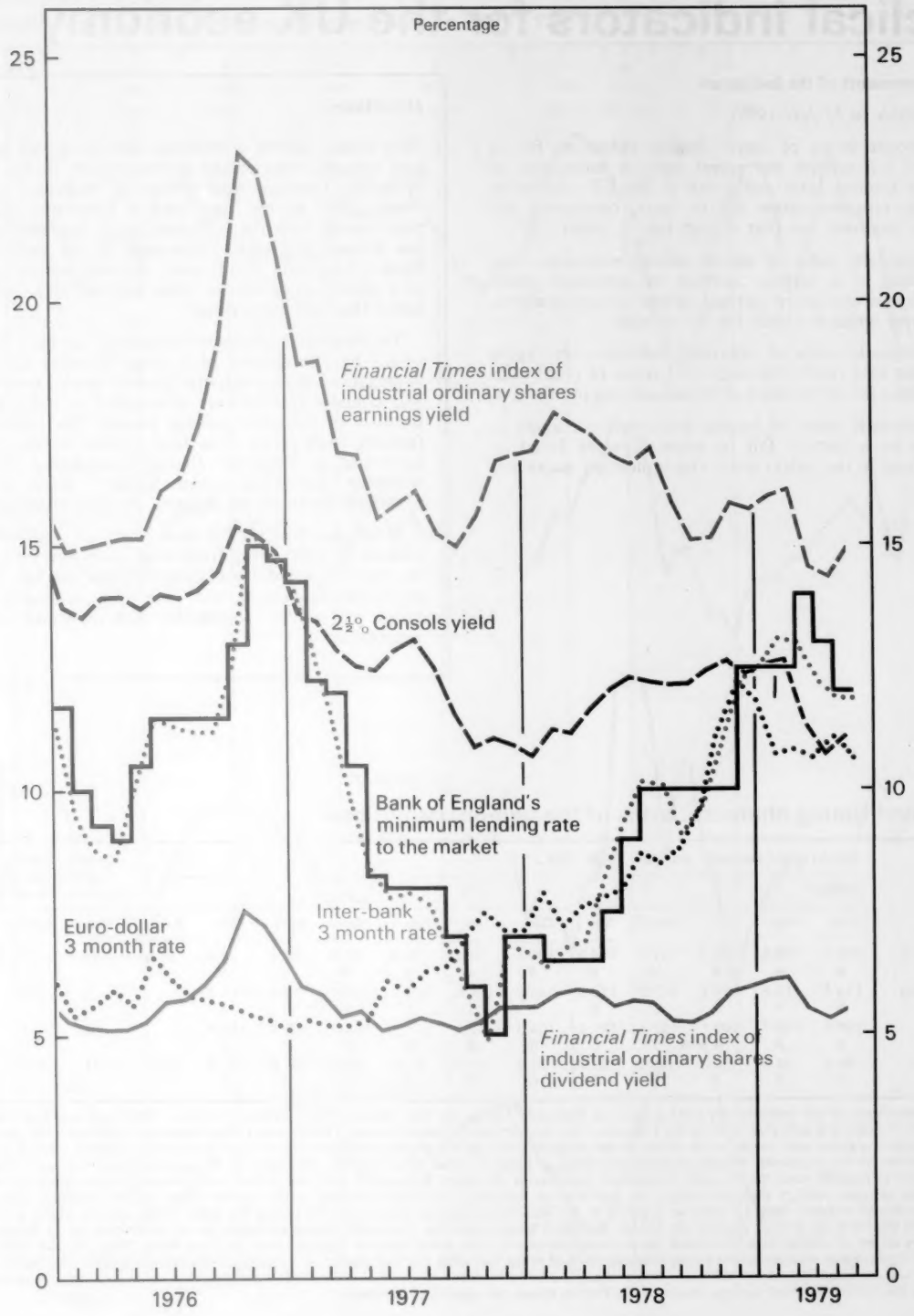
[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.


Percentage
25
20
15
10
5
0
Financial Times index of industrial ordinary shares earnings yield
2½% Consols yield
Bank of England's minimum lending rate to the market
Euro-dollar 3 month rate
Inter-bank 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1976
1977
1978
1979

Cyclical indicators for the UK economy

Recent movements of the indicators

(data available to 13 July 1979)

The composite index of *longer leading* indicators fell in June. This fall reflects the recent upward movement of short term interest rates and a fall in the FT – Actuaries 500 index. Housing starts fell in May, converting the slight rise recorded for that month into a slight fall.

The composite index of *shorter leading* indicators rose in May due to a further increase in consumer credit extended and a very sharp increase in new car registrations, the only two series available for this month.

The composite index of *coincident indicators* rose again in May due to a rise in the smoothed series of retail sales which offset a fall in the index of manufacturing production.

The composite index of *lagging indicators* rose again in June due to a further fall in unemployment (used in inverted form in the index) and a rise in notified vacancies.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

	Most recent values[2] January 1975 = 100												Lead (−) or lag (+) in months relative to reference cycle dates[3]		
	1978						1979								
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Mean	Earliest	Latest
Longer leading ..	108·7	109·8	109·0	107·0	104·2	100·4	97·2	94·9	96·5	98·6	98·0	95·6	−12	−21	−6
	4	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*2*			
Shorter leading ..	114·1	115·8	114·1	112·3	110·0	106·9	105·4	105·2	108·4	112·5	115·2		−5	−12	−1
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*2*	*2*				
Coincident ..	108·1	108·7	108·1	107·5	107·1	104·3	102·9	101·9	104·3	105·4	106·4		+2	− 1	+10
	6	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*3*	*2*				
Lagging	94·4	94·5	95·3	96·1	97·2	97·6	97·7	97·5	98·0	100·0	100·9	102·1	+11	+5	+17
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*2*	*2*	*2*			

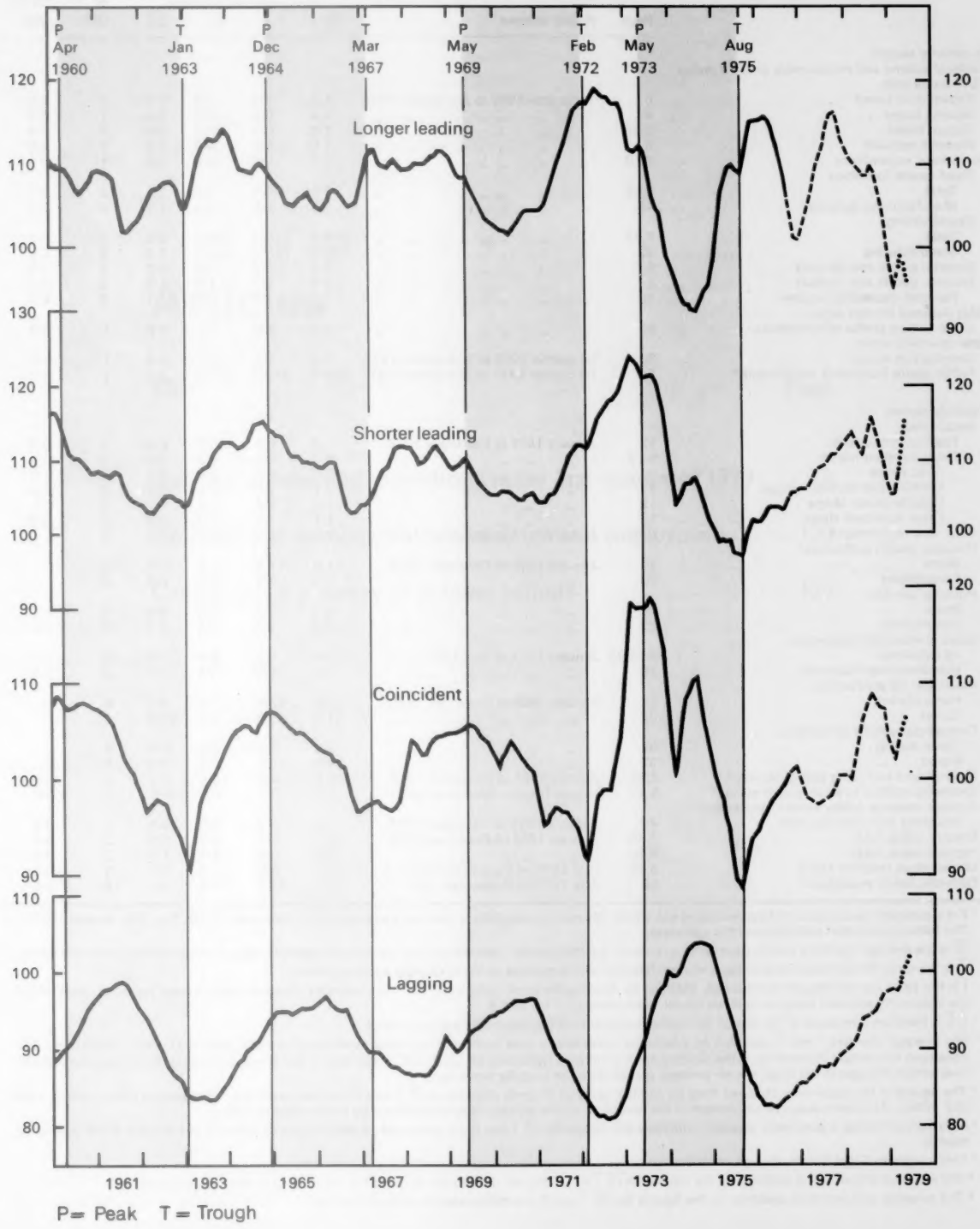
[1] A full explanation of the methodology used is given in *Economic Trends*. No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office. 01-233 6193.

[3] The table incorporates changes to the timing characteristics of series following the completion of a review of the reference cycle chronology. Five of the nine turning points have been subject to minor changes caused by a combination of revisions to data, rebasing and reconsideration of economic events in the period in which turning points occur. Further details are available on request.

Cyclical indicators

Composite indices of indicator groups. January 1975 =100



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1978	1·3	0·8	0·9	0·9	1	0·9
Income based	6	" " " " " " "	1·4	0·8	1·0	0·9	1	0·9
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·0	0·6	0·8	0·8	1	0·8
Consumers' expenditure	8,10	" " " " " " "	1·1	0·6	0·8	0·8	1	0·8
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·6	0·9	1·9	2	0·9
Manufacturing industry	18	" " " " " " "	3·9	2·5	2·4	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*213·4*	*136·2*	*146·1*	0·9	1	0·9
Manufacturing	22	" " " " " " "	*172·4*	*118·2*	*102·9*	1·2	2	0·5
Exports: goods and services	8	" " " " " " "	3·0	2·2	1·9	1·2	2	0·5
Imports: goods and services	8	" " " " " " "	2·9	2·2	1·6	1·4	2	0·5
Personal disposable income	10	" " " " " " "	1·7	1·2	1·2	1·1	2	0·3
Other national income series								
Gross trading profits of companies	58	" " " " " " "	3·6	2·5	3·2	0·8	1	0·8
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1978	2·2	1·3	1·5	0·9	1	0·9
Public sector borrowing requirement[6]	54	1st quarter 1971 to 2nd quarter 1977	*356·0*	*349·0*	*171·0*	2·0	2	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to December 1978	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	2·9	3	1·0
Clothing and footwear shops	12	" " " " "	2·1	2·0	0·4	5·4	6	0·9
Durable goods shops	12	" " " " "	1·9	1·6	0·7	2·2	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·3	2·8	3	0·9
Cars: new registrations	5,12	January 1971 to December 1978	8·1	7·8	1·7	4·6	5	1·0
Housing: public authorities[4]								
Starts	20	January 1956 to December 1978	11·6	11·3	1·7	6·5	6	
Completions	20	" " " " "	7·8	7·7	1·1	6·8	6	
Housing: private								
Starts	20	" " " " "	8·2	7·9	2·3	3·4	4	0·9
Completions	20	" " " " "	6·0	6·0	0·9	6·6	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to July 1978	0·9	0·8	0·4	1·9	3	0·9
Manufacturing industries	26	" " " " "	1·2	1·0	0·4	2·5	3	1·0
Passenger car production:								
Home market	32	January 1968 to December 1978	12·8	12·8	1·5	8·7	6	
Export	32	" " " " "	11·8	11·6	0·9	12·6	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·5	9·2	1·5	6·0	6	
Export	32	" " " " "	10·4	10·2	1·5	7·0	6	
Unemployed excluding school-leavers[5]	5,36	January 1961 to December 1978	*13·1*	*4·3*	*12·0*	0·4	1	0·4
Vacancies notified to employment offices[6]	5,36	August 1960 to December 1978	*5·9*	*2·5*	*5·2*	0·5	1	0·5
Average earnings (older series): production industries and some services	40	January 1963 to December 1977	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.	5,46	January 1964 to December 1976	3·1	2·7	1·3	2·0	2	0·9
Imports: value, f.o.b.	5,46	" " " " "	2·9	2·6	1·4	1·9	2	0·9
Money stock (sterling M_3)[3]	5,50	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	52	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and C are differences in units of £ million.

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National income and expenditure in the first quarter of 1979*

Gross domestic product

All three measures of GDP show a fall in activity in the first quarter of 1979, due largely to bad weather and industrial disputes. The output-based estimate, usually considered the most reliable measure of short-term movements, fell by 1 per cent between the fourth quarter of 1978 and the first quarter of 1979. Output rose sharply in Q2 1978 after which there has been little underlying change.

*This article presents quarterly estimates of national income and expenditure up to the first quarter of 1979. Estimates of the components of GDP in constant prices are given here in terms of average 1975 prices.

Provisional summary measures of GDP were first issued on 20 June 1979. The estimates presented here incorporate the estimates of capital expenditure and stock-building issued by the Department of Industry in a press notice on 28 June 1979. These and other revisions were incorporated in the national income and expenditure press notice issued on 6 July 1979.

Many of the component series of GDP(E) and GDP(O) are derived at constant 1975 prices by revaluing current price data. When prices are changing rapidly the problems associated with this revaluation become acute. For this reason, the estimates for periods since about the end of 1973 should be regarded as subject to wider margins of error than in earlier years.

A general description of national income statistics, together with details of sources, methods and definitions used, is given in *National Accounts Statistics: Sources and Methods* (HMSO, 1968). Subsequent changes are described in the notes to the 1978 Blue Book.

All commentary is in terms of seasonally adjusted data.

Taking a longer view, the average measure of GDP shows a growth of 3 per cent between the years ended 31 March 1978 and 31 March 1979.

The index of total home costs (a measure of *domestically* generated inflation over the whole economy, formed by dividing the current price expenditure estimate of GDP by the constant price estimate) increased by 2 per cent between the fourth quarter of 1978 and the first quarter of 1979. In the year to Q1 1979 the index rose by 9 per cent.

Expenditure at 1975 prices (Table 1)

Domestic demand (total domestic expenditure) rose by 1½ per cent in the first quarter, the main impetus coming from consumers' expenditure and involuntary stockbuilding (see below). There was a further decline in fixed investment. Exports of goods and services also fell, by 9½ per cent, partly as a result of the road haulage dispute. Consequently total final demand (at constant market prices) fell by 1 per cent. Despite this decline, imports of goods and services rose by 1 per cent. Domestic production, as measured by the expenditure-based estimate of GDP at factor cost

Gross domestic product at factor cost, total home costs, and national disposable income revalued at constant market prices[1]

TABLE A

	Seasonally adjusted							
	Index numbers, 1975 = 100							
	Gross domestic product							
	At current prices		At 1975 prices					
	Based on expenditure data	Based on income data	Based on expenditure data	Based on income data[2]	Based on output data	Average estimate	Implied Index of total home costs	National disposable income at 1975 market prices[3]
1976	117·9	117·6	103·5	103·2	102·1	102·9	113·9	102·8
1977	133·7	133·4	105 1	104·9	104·7	104·9	127·1	103·9
1978	151·9	151·6	108·5	108·3	107·8	108·2	140·0	108·2
1976 *1*	111·7	110·5	102·9	101·8	101·0	101·9	108·6	} 102·5
2	115·3	115·8	102·5	103·0	101·7	102·4	112·4	
3	119·9	119·9	103·9	103·9	101·8	103·2	115·4	} 103·2
4	124·8	124·1	104·7	104·1	103·9	104·2	119·3	
1977 *1*	126·4	126·9	103·3	103·6	104·5	103·8	122·5	} 102·6
2	130·4	131·9	104·0	105·2	104·2	104·5	125·4	
3	137·1	135·1	105·7	104·1	104·8	104·8	129·7	} 105·1
4	140·8	139·7	107·5	106·7	105·2	106·5	130·9	
1978 *1*	145·0	143·1	106·8	105·4	105·9	106·0	135·7	} 107·1
2	149·4	149·8	108·3	108·7	108·1	108·4	137·9	
3	155·0	154·7	109·6	109·4	108·7	109·2	141·4	} 109·3
4	158·4	158·8	109·4	109·6	108·6	109·2	144·9	
1979 *1*	158·2	159·6	106·9	107·9	107·6	107·4	148·0	..

[1] These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Income data deflated by the index of total home costs derived from expenditure data.
[3] Half yearly estimates only.

(GDP(E)), fell by 2 per cent. (Much of the increase in consumer demand in the first quarter was for goods bearing a relatively high rate of tax. Consequently, the decline in GDP at constant market prices, which includes taxes on expenditure at constant rates and prices, was slightly smaller at 1½ per cent).

Comparing the year ended 31 March 1979 with the preceding year, domestic demand rose by 4 per cent with consumers' expenditure (up by 5½ per cent) and stockbuilding again the main growth areas. With exports showing little overall change, total final demand rose by 3 per cent. Again a disproportionate share of this additional demand was met by imports, which rose by 4 per cent.

Expenditure estimates of gross domestic product at 1975 prices

TABLE B

	Percentage growth of seasonally adjusted data	
	Increase of Q1 1979 on Q4 1978	Increase of financial year 1978/79 on 1977/78
Consumers' expenditure	1·2	5·5
General government consumption	−0·1	1·7
Gross domestic fixed capital formation	−2·0	−0·3
Total domestic expenditure	1·3	3·8
Exports of goods and services	−9·3	0·1
Total final expenditure	−1·1	2·9
Imports of goods and services	0·9	3·8
GDP at market prices	−1·7	2·7
Factor cost adjustment[1]	3·8	5·3
GDP at factor cost	−2·3	2·4

[1]Taxes on expenditure *less* subsidies

Income (at current prices) (Table 2)

Total domestic income rose 2½ per cent between the fourth quarter of 1978 and the first quarter of 1979 with income from employment, its largest component, rising by 3 per cent. With a fall in output and a continuing rise in wages and salaries there was a drop in company profits in the quarter.

Output (Table 3)

The output measure of GDP fell by 1 per cent between the fourth quarter of 1978 and the first quarter of 1979, largely as a result of adverse weather conditions and industrial disputes, especially in the road haulage industry. Manufacturing output fell by 1 per cent and the output of the construction industry, particularly dislocated by the severe weather, is provisionally estimated to have dropped by 10 per cent. This was partially offset by a rise in the output of the gas, electricity and water and the mining and quarrying industries, the latter incorporating the steady growth in North Sea oil production. The service industries were also affected by the bad weather and industrial disputes with the fall in output of the transport industries reaching 6 per cent.

Personal income, expenditure and saving (Tables 4 and 5)

Total personal income before tax rose 2½ per cent in the first quarter. Wages and salaries rose by 3 per cent. Pay rates in this period, and adjoining periods were affected by delays in pay settlements, which, on balance, slightly increased the rise in wages and salaries between Q4 1978 and Q1 1979. Over the year to Q1 1979 wages and salaries rose by 14½ per cent. Over the same period national insurance benefits and other government grants rose 18 per cent, reflecting in the main the higher level of benefits introduced during the fourth quarter of 1978.

Personal incomes after payment of income tax and national insurance, etc. contributions rose only slightly less than pre-tax incomes between the fourth quarter of 1978 and the first quarter of 1979. And over the year to Q1 1979 the increase was appreciably greater, at 17 per cent. The quarterly movements in taxes on income shown in Table C are more variable than for other items and reflect the timing of tax changes and rebates over the last year: but the first quarters of 1978 and 1979 were both unaffected by rebates.

Real personal disposable income, obtained by revaluing personal disposable income by the implied price deflator of consumers' expenditure, was little changed between the two most recent quarters but rose by 7½ per cent between Q1 1978 and Q1 1979. Most of this increase can be attributed to a rise in pre-tax incomes greater than the rise in prices. The reduction in personal taxation rates made a relatively minor contribution to the rise.

Changes in personal income

TABLE C

	Percentage growth of seasonally adjusted data				
	Increase on preceding quarter 1978			1979	Increase of Q1 1979 on Q1 1978
	2	3	4	1	
Total personal income *of which:*	5·4	1·8	4·1	2·7	14·8
Wages and salaries[1]	5·5	2·4	2·7	3·1	14·3
Employers' contributions	6·1	2·8	2·9	1·6	14·0
Current grants from general government	5·1	2·0	8·6	1·6	18·2
UK taxes on income	4·4	−7·7	8·0	4·5	8·8
National insurance etc contributions	−3·1	2·7	3·3	1·1	3·9
Total personal disposable income	6·6	3·5	3·6	2·4	17·1
Real personal disposable income	4·4	1·2	1·8	0·1	7·7

[1]Including forces' pay

In current price terms, consumers' expenditure rose 3½ per cent between the two adjacent quarters, somewhat faster than the rise in disposable income. This implied a fall in the saving ratio from 16 per cent in the fourth quarter of 1978 to 15 per cent in the following quarter. For the last year the saving ratio has averaged 15 per cent, 2 per cent higher than the average for the same period 12 months earlier.

The volume of consumers' expenditure increased by 1 per cent in the first quarter largely as a result of increased spending on fuel and light, wines and spirits and cars and motorcycles. Between the first quarters of 1978 and 1979 consumers' expenditure in real terms rose by 4½ per cent with wines and spirits (up 15 per cent), fuel and light (up 14 per cent) and durable goods (up 7½ per cent) contributing most to the rise.

Industrial and commercial companies (Table 7)

Gross trading profits of industrial and commercial companies (before providing for depreciation and stock appreciation) are estimated to have been £10·3 billion in the half-year to the end of March 1979, 7½ per cent higher than the estimate for the 6 months ending in September 1978 and 18 per cent more than for the same period one year earlier.

The general world shortage of crude oil following the events in Iran has led to a general increase in oil prices. In the first quarter of 1979 the gross trading profits of the North Sea oil and gas industries reflected this trend and rose by 32 per cent following a 7 per cent increase in the price of North Sea oil and an 18 per cent increase in the volume sold. This increase in volume was possible with the inauguration of three new fields; the Dunlin field in quarter four 1978 and the Ninian and Heather fields in the next quarter.

Profits of these industries were further boosted by the high demand for North Sea gas resulting from the cold weather of the first quarter.

For the rest of the industrial and commercial sector, profits net of stock appreciation are thought to have fallen steeply in the first quarter. In part this fall was due to the loss in production caused by the severe weather and industrial disputes. Profits had risen by 15 per cent between 1977 and 1978. The low and possibly erratic figure for the first quarter of 1979 has left a much smaller rise, 4 per cent, between the financial years of 1977/78 and 1978/79.

Despite the overall reduction in profits net of stock appreciation, total company income was 12 per cent higher than the quarterly average for 1978. This was caused chiefly by a leap in stock appreciation bringing it back almost to the levels reached around the beginning of 1977.

On the allocation of income side, payments of dividends rose in the first quarter of 1979 and stood 21 per cent higher than the quarterly average for 1978. In contrast UK taxes on income paid in this quarter were up only 5 per cent over the same period with the overall result that the balance of undistributed income for the industrial and commercial companies' sector was similar to levels recorded in 1978.

Financial companies and institutions (Table 8)

Total income of financial companies and institutions maintained the momentum shown throughout 1978. As a result of the continuing high interest rates, total income in the first quarter of 1979 was 8½ per cent higher than in the preceding quarter and 33 per cent higher than the quarterly average of 1978. The biggest contribution to this rise was provided by the banking sector, whose rent and non-trading income was 40 per cent higher than the 1978 quarterly average. Building society receipts and payments of interest were also up 29 per cent and 35 per cent respectively over the same period due mainly to higher mortgage interest rates. The balance of undistributed income reached a peak in the first quarter of 1979 and was 50 per cent higher than 1978 levels.

Public corporations (Table 9)

The gross trading surplus of public corporations (before allowing for depreciation and stock appreciation) rose by 7 per cent between the fourth quarter of 1978 and the first quarter of 1979, continuing the steady rise seen in recent quarters. The surplus was 19 per cent higher in the first quarter of 1978 than in the same quarter 12 months earlier. The cold weather of the period contributed to an increased surplus for the energy industries. This was partially offset by the losses of transport concerns which were affected by industrial disputes as well as the inclement weather.

General government consumption

General government consumption changed little in real terms in the first quarter. Over the financial year as a whole it was 1½ per cent above the level of 1977/78. The central government's consumption rose by less than ½ per cent but local authorities' went up by 3½ per cent. The growth in

Gross trading profits of industrial and commercial companies: net of stock appreciation

TABLE D

Seasonally adjusted, £ million

	1977	1978	1977			1978				1979
			2	3	4	1	2	3	4	1
Gross trading profits of North Sea oil and gas (MLH 104)	1,718	2,314	452	435	430	520	566	556	672	886
Gross trading profits excluding North Sea oil and gas	11,947	13,769	2,923	3,034	3,359	3,379	3,217	3,609	3,564	2,752
Total	13,665	16,083	3,375	3,469	3,789	3,899	3,783	4,165	4,236	3,638

total general government consumption has been low by earlier standards over each of the last three years, averaging less than 1 per cent a year over this period. In the five years 1970/71 to 1975/76 it averaged nearly 4 per cent.

Central government (Table 10)

The figures for the first quarter of 1979 are possibly less reliable than usual because of the industrial action by civil servants. Although cash receipts of some taxes and payments by some government departments were affected by this action the figures in Table 10 should be largely unaffected since they are measured on an accruals basis.

Total central government receipts rose 2 per cent in the first quarter of 1979 following a rise of 6½ per cent in the previous quarter which was largely the result of the introduction of the increased rate of national insurance surcharge. A big increase in wines and spirits released from bond contributed to the rise in receipts of taxes on expenditure in the first quarter.

Total current expenditure also rose in the first quarter, most of the increase being in payments of national insurance benefits. This was the first full quarter of payments at the higher rates introduced in November 1978.

Local authorities (Table 11)

Total current receipts of local authorities were about the same in the first quarter of 1979 as in the fourth quarter of 1978 and receipts for the financial year 1978/79 as a whole were 10 per cent higher than in the previous financial year. For the financial year 1978/79 as a whole current grants from central government and rates receipts were up 8½ per cent and 12 per cent respectively over the previous financial year.

Total current expenditure rose 1½ per cent in the first quarter. Debt interest for this period rose following the rise in interest rates. Extra expenditure resulting from the effects of the cold weather was counterbalanced to a certain extent by the reduction in the wages bill associated with the strike by local authority manual workers.

Summary capital account (Table 13)

Total domestic saving in the first quarter was much the same as in the last quarter of 1978; but taking the two quarters together saving, at £18·6 billion, was £1 billion up on the preceding two quarters. Personal sector saving also rose by £1 billion between these two-half years, this being reflected in a similar increase in the sector's net acquisition of financial assets.

A small increase in company sector saving between the two half-years was greatly exceeded by the rise in gross capital formation; and there was a reduction of £1¼ billion in the sector's net acquisition of financial assets. This estimate of the reduction includes a £300 million adjustment to stockbuilding at current prices in the first quarter of 1979 (see technical note below) all of which has been allocated to the company sector. In Table 13 the adjustment is reflected as a positive component of gross capital formation and as a negative component of net acquisition of financial assets.

Gross domestic fixed capital formation at 1975 prices (Tables 14 and 15)

There was a fall of 2 per cent in fixed investment in the first quarter of 1979. Total fixed investment in the 12 months up to the first quarter of 1979 was ½ per cent lower than that recorded in the preceding 12 months. However, within this total, investment in manufacturing rose by 6½ per cent and in the distributive trades by 2 per cent, whereas investment in private and public dwellings fell by 3 and 11 per cent respectively. There was also an 8 per cent decline in fixed investment in North Sea oil and gas over this period.

Value of physical increase in stocks and work-in-progress at 1975 prices (Table 16)

The estimate entered for stockbuilding in the first quarter includes an upward adjustment of about £200 million, roughly to offset the distortions thought to have been caused by the delays in recording imports and by the road haulage dispute (see technical note below). This adjustment apart, stockbuilding in the first quarter amounted to less than £200 million, a little below the average rate of 1978.

Revisions

Since the publication of *Economic Trends* No. 306, April 1979, there have been some revisions to the series with fourth quarter 1978 data showing the largest changes. Expenditure abroad by UK residents and expenditure by foreign visitors in the United Kingdom have both been revised upwards back to 1971. These revisions have had a lowering effect on consumers' expenditure and have led to an overall increase in net exports (exports less imports), but the net effect on GDP(E) has been negligible. However other revisions to consumers' expenditure in Q4 1978 have led to an overall increase in this item and an increase of ½ per cent in the estimate of GDP(E) for this quarter.

Gross trading profits of the company sector during the fourth quarter of 1978 have been revised upwards with profits from North Sea oil and gas industries contributing one-third of the increase. This has led to an increase of ½ per cent in the estimate of GDP(I) for this quarter.

Technical Note

An adjustment has been incorporated in the estimates of stockbuilding in the first quarter of 1979 to countervail the assessed distortions to national accounts statistics caused by the delays in recording imports of goods and by the disruption in the flow of goods resulting from the road haulage dispute.

Industrial action by civil servants delayed the recording of imports in the first quarter. As a result it is estimated that the recorded figures understate imports in the quarter by about £400 million at current prices. The 'missing' imports properly belong to the visible trade account in the balance of payments; but insufficient detail is known about this element to enable it to be entered in the balance of payments account. Consequently, to minimise the distortion carrying through to the expenditure-based estimate of gross domestic product, a negative adjustment of £400 million has been incorporated in the estimate of stockbuilding at current prices.

The impact of the road haulage dispute in the first quarter was to depress both exports and imports with exports being considerably more affected. The consequences for the expenditure measure of GDP relate solely to exports. It is likely that much of the estimated shortfall in exports in the first

quarter relates to goods which had left producers and which were not recorded in the statistics of stocks at the end of the period. It is however extremely difficult to assess the value of goods affected in this way. The best estimate which can be made involves a positive adjustment to the stockbuilding estimate of £700 million at current prices. Unlike the adjustment in respect of the delay in recording imports, this is a proper, albeit involuntary, element of stockbuilding.

Thus the net adjustment to stockbuilding in the first quarter is plus £300 million at current prices, which is equivalent to about £200 million at constant 1975 prices. It is not yet clear how long the distortions, particularly in respect of the recording of imports, will continue. Further adjustments will be required in the national accounts for the second and possibly subsequent quarters; but over the whole of the period subject to distortion the adjustments will add to zero.

Central Statistical Office

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*The tables show annual figures from 1973 and quarterly figures from 1976.

APPENDIX

Expenditure on the gross domestic product

TABLE 1

£ million

	Gross domestic product at market prices	Gross domestic product at factor cost[1]	Final expenditure on goods and services at market prices: Total	Consumers' expenditure	General government consumption	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Taxes on expenditure	Subsidies
At current prices											
1973	72,711	64,031	91,689	45,240	13,327	14,149	1,724	17,249	18,978	10,122	1,442
1974	82,343	73,869	109,773	51,956	16,564	16,924	1,290	23,039	27,430	11,470	2,996
1975	103,174	92,721	132,241	63,328	22,962	20,536	−1,623	27,038	29,067	14,162	3,709
1976	122,478	109,352	159,333	73,399	26,671	23,597	361	35,305	36,855	16,546	3,420
1977	141,019	123,954	183,495	83,516	29,173	25,808	1,318	43,680	42,476	20,317	3,252
1978	160,775	140,889	206,692	95,733	32,729	,29,122	1,413	47,695	45,917	23,445	3,559
Unadjusted											
1976 *1*	28,500	25,602	36,357	16,631	6,409	5,878	— 309	7,748	7,857	3,702	804
2	29,145	26,053	38,338	17,664	6,611	5,433	— 13	8,643	9,193	4,033	941
3	31,043	27,698	40,634	18,565	6,729	5,987	287	9,066	9,591	4,199	854
4	33,790	29,999	44,004	20,539	6,922	6,299	396	9,848	10,214	4,612	821
1977 *1*	32,130	28,763	42,566	19,014	7,020	6,135	323	10,074	10,436	4,215	848
2	33,927	29,682	44,855	20,157	7,266	6,088	452	10,892	10,928	5,071	826
3	35,919	31,376	46,675	21,356	7,372	6,433	— 33	11,547	10,756	5,315	772
4	39,043	34,133	49,399	22,989	7,515	7,152	576	11,167	10,356	5,716	806
1978 *1*	37,279	33,064	48,257	21,957	7,928	7,240	212	10,920	10,978	5,076	861
2	38,932	34,042	50,574	23,067	7,992	6,906	454	12,155	11,642	5,749	859
3	40,939	35,832	52,594	24,539	8,207	7,205	495	12,148	11,655	6,008	901
4	43,625	37,951	55,267	26,170	8,602	7,771	252	12,472	11,642	6,612	938
1979 *1*	41,141	36,085	53,036	24,806	8,810	7,641	370	11,409	11,895	6,135	1,079
Seasonally adjusted											
1976 *1*	29,017	25,896	36,993	17,354	6,335	5,729	— 258	7,833	7,976	3,887	766
2	29,837	26,726	38,859	17,919	6,648	5,800	— 64	8,556	9,022	4,079	968
3	31,145	27,791	40,785	18,614	6,777	6,042	266	9,086	9,640	4,225	871
4	32,479	28,939	42,696	19,512	6,911	6,026	417	9,830	10,217	4,355	815
1977 *1*	32,928	29,310	43,526	19,796	6,949	6,022	426	10,333	10,598	4,426	808
2	34,508	30,239	45,327	20,462	7,294	6,365	415	10,791	10,819	5,119	850
3	36,337	31,772	47,035	21,464	7,427	6,630	77	11,437	10,698	5,355	790
4	37,246	32,633	47,607	21,794	7,503	6,791	400	11,119	10,361	5,417	804
1978 *1*	38,140	33,607	49,396	22,801	7,840	7,086	297	11,372	11,256	5,359	826
2	39,520	34,622	50,814	23,466	8,030	7,211	387	11,720	11,294	5,778	880
3	41,037	35,936	52,810	24,530	8,270	7,382	423	12,205	11,773	6,019	918
4	42,078	36,724	53,672	24,936	8,589	7,443	306	12,398	11,594	6,289	935
1979 *1*	42,055	36,662	54,045	25,825	8,721	7,495	451	11,553	11,990	6,439	1,046

[1] Equals total final expenditure on goods and services at market prices *less* imports of goods and services *less* adjustment to factor cost. Estimates of the gross domestic product at constant factor cost based on statistics of output and income are given in Table 3, and in the text of the article.

[2] This represents taxes on expenditure *less* subsidies valued at constant rates.

Expenditure on the gross domestic product

TABLE 1 (*continued*)

£ million

	Gross domestic product at market prices	Gross domestic product at factor cost[1]	Final expenditure on goods and services at market prices: Total	Consumers' expenditure	General government consumption	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Adjustment to factor cost[2]
Revalued at 1975 prices										
1973	106,708	95,775	137,751	65,586	21,426	21,609	2,983	26,147	31,043	10,933
1974	104,977	94,325	136,336	64,162	21,742	21,173	1,459	27,800	31,359	10,652
1975	103,174	92,721	132,241	63,328	22,962	20,536	−1,623	27,038	29,067	10,453
1976	106,830	95,970	137,071	63,479	23,464	20,395	245	29,488	30,241	10,860
1977	108,295	97,467	138,715	62,897	23,262	19,961	949	31,646	30,420	10,828
1978	112,073	100,629	143,966	66,431	23,665	20,456	1,034	32,380	31,893	11,444
Unadjusted										
1976 *1*	25,904	23,431	33,056	15,067	5,929	5,293	− 263	7,030	7,152	2,473
2	25,855	23,218	33,587	15,533	5,874	4,787	− 9	7,402	7,732	2,637
3	26,805	24,096	34,506	15,933	5,809	5,133	214	7,417	7,701	2,709
4	28,266	25,225	35,922	16,946	5,852	5,182	303	7,639	7,656	3,041
1977 *1*	25,882	23,365	33,470	14,927	5,831	4,913	249	7,550	7,588	2,517
2	26,264	23,680	34,124	15,228	5,840	4,794	346	7,916	7,860	2,584
3	27,127	24,390	34,769	15,856	5,752	4,909	− 28	8,280	7,642	2,737
4	29,022	26,032	36,352	16,886	5,839	5,345	382	7,900	7,330	2,990
1978 *1*	26,851	24,157	34,681	15,640	5,944	5,266	202	7,629	7,830	2,694
2	27,454	24,696	35,524	16,089	5,870	4,931	343	8,291	8,070	2,758
3	28,270	25,392	36,298	16,913	5,852	5,011	328	8,194	8,028	2,878
4	29,498	26,384	37,463	17,789	5,999	5,248	161	8,266	7,965	3,114
1979 *1*	27,000	24,214	34,951	16,253	6,037	5,023	291	7,347	7,951	2,786
Seasonally adjusted										
1976 *1*	26,518	23,850	33,774	15,758	5,862	5,156	− 102	7,100	7,256	2,668
2	26,484	23,769	34,070	15,822	5,901	5,107	− 77	7,317	7,586	2,715
3	26,789	24,082	34,531	15,910	5,856	5,177	160	7,428	7,742	2,707
4	27,039	24,269	34,696	15,989	5,845	4,955	264	7,643	7,657	2,770
1977 *1*	26,648	23,940	34,359	15,610	5,771	4,821	402	7,755	7,711	2,708
2	26,756	24,110	34,530	15,535	5,855	5,010	289	7,841	7,774	2,646
3	27,223	24,492	34,823	15,849	5,802	5,057	− 73	8,188	7,600	2,731
4	27,668	24,925	35,003	15,903	5,834	5,073	331	7,862	7,335	2,743
1978 *1*	27,610	24,754	35,629	16,326	5,886	5,152	323	7,942	8,019	2,856
2	27,949	25,111	35,772	16,456	5,881	5,147	295	7,993	7,823	2,838
3	28,304	25,414	36,421	16,831	5,906	5,132	304	8,248	8,117	2,890
4	28,210	25,350	36,144	16,818	5,992	5,025	112	8,197	7,934	2,860
1979 *1*	27,741	24,772	35,748	17,021	5,986	4,927	378	7,436	8,007	2,969

See footnotes on page 78.

Factor incomes in the gross national product

TABLE 2

£ million

	Gross national product		Net property income from abroad	Gross domestic product at factor cost	Factor incomes						*less* Stock appreciation	Residual error
	At market prices	At factor cost			Total domestic income[1]	Income from employment[2]	Gross trading profits of companies	Gross trading surplus of public corporations[1]	Gross trading surplus of general government enterprises[1]	Other income[3]		
1973	73,931	65,251	1,220	64,031	66,298	43,564	8,932	2,063	139	11,600	—2,994	727
1974	83,625	75,151	1,282	73,869	78,725	52,783	9,508	2,558	148	13,728	—6,201	1,345
1975	103,937	93,484	763	92,721	97,839	68,290	10,142	3,093	177	16,137	—5,716	598
1976	123,793	110,667	1,315	109,352	114,953	78,241	12,907	4,502	159	19,144	—6,629	1,028
1977	141,411	124,346	392	123,954	128,085	85,861	15,508	5,035	201	21,480	—5,188	1,057
1978	161,453	141,567	678	140,889	143,977	97,256	16,943	5,310	222	24,246	—4,328	1,240
Unadjusted												
1976 *1*	28,759	25,861	259	25,602	26,813	18,440	2,879	1,023	30	4,441	—1,473	262
2	29,465	26,373	320	26,053	28,077	19,336	3,001	1,039	34	4,667	—1,565	—459
3	31,426	28,081	383	27,698	29,008	19,997	3,103	976	57	4,875	—1,668	358
4	34,143	30,352	353	29,999	31,055	20,468	3,924	1,464	38	5,161	—1,923	867
1977 *1*	32,278	28,911	148	28,763	31,298	20,606	4,131	1,405	51	5,105	—2,098	—437
2	33,937	29,692	10	29,682	31,366	21,221	3,713	1,135	50	5,247	—1,303	—381
3	36,072	31,529	153	31,376	32,130	21,669	3,886	1,095	66	5,414	—1,147	393
4	39,124	34,214	81	34,133	33,291	22,365	3,778	1,400	34	5,714	— 640	1,482
1978 *1*	37,393	33,178	114	33,064	33,749	22,763	3,910	1,359	56	5,661	— 834	149
2	39,078	34,188	146	34,042	35,316	24,142	3,941	1,244	54	5,935	—1,172	—102
3	41,262	36,155	323	35,832	36,639	24,825	4,482	1,104	58	6,170	—1,019	212
4	43,720	38,046	95	37,951	38,273	25,526	4,610	1,603	54	6,480	—1,303	981
1979 *1*	41,411	36,355	270	36,085	38,684	26,009	4,593	1,614	58	6,410	—1,966	—633
Seasonally adjusted												
1976 *1*	29,296	26,175	279	25,896	26,922	18,594	2,810	996	30	4,492	—1,473	447
2	30,170	27,059	333	26,726	28,242	19,343	3,062	1,118	34	4,685	—1,565	49
3	31,505	28,151	360	27,791	29,272	19,948	3,227	1,156	57	4,884	—1,668	187
4	32,822	29,282	343	28,939	30,517	20,356	3,808	1,232	38	5,083	—1,923	345
1977 *1*	33,065	29,447	137	29,310	31,326	20,727	4,088	1,296	51	5,164	—2,098	82
2	34,570	30,301	62	30,239	31,684	21,242	3,876	1,248	50	5,268	—1,303	—142
3	36,445	31,880	108	31,772	32,259	21,612	3,806	1,351	66	5,424	—1,147	660
4	37,331	32 718	85	32,633	32,816	22,280	3,738	1,140	34	5,624	— 640	457
1978 *1*	38,229	33,696	89	33,607	33,791	22,898	3,860	1,248	56	5,729	— 834	650
2	39,742	34,844	222	34,622	35,670	24,167	4,141	1,346	54	5,962	—1,172	124
3	41,295	36,194	258	35,936	36,655	24,761	4,332	1,325	58	6,179	—1,019	300
4	42,187	36,833	109	36,724	37,861	25,430	4,610	1,391	54	6,376	—1,303	166
1979 *1*	42,267	36,874	212	36,662	38,730	26,164	4,543	1,485	58	6,480	—1,966	—102

[1] Before providing for depreciation and stock appreciation.
[2] Wages and salaries, forces' pay and employers' contributions.
[3] Income from rent and self-employment and the imputed charge for consumption of non-trading capital.

Index numbers of output at constant factor cost

TABLE 3

1975 = 100

	Gross domestic product[1,2,3]	Agriculture, forestry and fishing	Industrial production					Transport and communication	Distributive trades	Other services
			Total[2]	Mining and quarrying[4]	Manufacturing[2]	Construction[4]	Gas, electricity and water[4]			
1975 weights	*1,000*	*28*	*407*	*17*	*283*	*74*	*33*	*88*	*101*	*376*
1973	103·8	109	110·1	110·1	109·2	118·2	99·3	101	106	97
1974	101·9	110	105·7	89·9	107·4	105·8	99·2	101	103	97
1975	100·0	100	100·0	100·0	100·0	100·0	100·0	100	100	100
1976	102·1	93	102·5	125·8	102·2	98·6	102·9	99	101	103
1977	104·7	111	106·5	187·7	103·8	98·2	107·0	101	99	104
1978	107·8	116	110·4	232·4	104·4	105·7	110·3	104	104	106
Seasonally adjusted										
1976 *1*	101·0	93	100·9	110·1	100·2	100·2	103·5	98	101	103
2	101·7	89	101·9	120·0	101·8	97·8	102·4	98	101	104
3	101·8	91	102·0	125·9	102·2	96·5	100·3	99	102	103
4	103·9	98	105·4	147·3	104·4	100·0	105·2	101	101	104
1977 *1*	104·5	106	106·5	174·7	105·2	96·3	106·3	102	100	104
2	104·2	111	106·2	190·1	103·5	96·9	108·6	100	98	104
3	104·8	114	106·6	190·3	103·6	98·8	107·8	101	100	104
4	105·2	114	106·6	195·8	102·9	101·0	105·5	102	100	105
1978 *1*	105·9	114	107·3	209·6	102·6	101·9	107·7	102	102	106
2	108·1	116	111·6	228·8	105·7	107·3	111·9	104	103	106
3	108·7	116	112·1	236·3	106·0	107·2	112·7	104	106	106
4	108·6	116	110·6	255·0	103·4	106·3	108·8	105	107	107
1979 *1*	107·6	116	109·3	274·3	102·1	96[5]	117·5	103	105	107

[1] Alternative estimates of the gross domestic product are given in the text of the article and in Table 1.

[2] The figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[3] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976	*1*	100·8	1977	*1*	103·1	1978	*1*	103·9	1979	*1*	104·5
	2	101·3		*2*	102·5		*2*	105·8			
	3	101·3		*3*	103·2		*3*	106·3			
	4	102·9		*4*	103·4		*4*	105·9			

[4] This series may not be fully consistent with that shown on page 26 which includes the latest information.

[5] Preliminary estimate.

Personal income, expenditure and saving

TABLE 4

£ million

	Personal income before tax													Personal disposable income at 1975 prices[10]
	Total[1]	Wages and salaries	Forces' pay	Employers' contributions[2]	Current grants from general government[3]	Other personal income[4, 5]	UK taxes on income (payments)[6]	National insurance, etc. contributions	Transfers abroad (net)	Total personal disposable income[7, 8]	Consumers' expenditure	Balance: personal saving[8, 9]		
1973	63,077	38,018	925	4,621	6,420	13,093	7,827	3,937	99	51,214	45,240	5,974	*11·7*	74,247
1974	76,046	45,916	1,071	5,796	7,875	15,388	10,380	5,000	121	60,545	51,956	8,589	*14·2*	74,769
1975	96,357	58,974	1,283	8,033	10,283	17,784	15,072	6,845	154	74,286	63,328	10,958	*14·8*	74,286
1976	111,847	66,932	1,473	9,836	12,763	20,843	17,480	8,430	53	85,884	73,399	12,485	*14·5*	74,277
1977	124,771	73,523	1,500	10,838	15,106	23,804	18,304	9,492	114	96,861	83,516	13,345	*13·8*	72,947
1978	141,942	83,372	1,643	12,241	17,812	26,874	19,636	10,023	301	111,982	95,733	16,249	*14·5*	77,707
Unadjusted														
1976 *1*	26,595	15,845	354	2,241	3,079	5,076	4,412	1,854	33	20,296	16,631	3,665	*18·1*	18,363
2	27,325	16,538	351	2,447	3,139	4,850	4,267	2,136	7	20,915	17,664	3,251	*15·5*	18,368
3	28,699	17,073	390	2,534	3,171	5,531	4,274	2,194	5	22,226	18,565	3,661	*16·5*	19,050
4	29,228	17,476	378	2,614	3,374	5,386	4,527	2,246	8	22,447	20,539	1,908	*8·5*	18,496
1977 *1*	29,943	17,625	355	2,626	3,548	5,789	4,903	2,253	29	22,758	19,014	3,744	*16·5*	17,857
2	30,551	18,174	361	2,686	3,782	5,548	4,566	2,367	12	23,606	20,157	3,449	*14·6*	17,824
3	31,641	18,540	406	2,723	3,754	6,218	4,593	2,398	25	24,625	21,356	3,269	*13·3*	18,273
4	32,636	19,184	378	2,803	4,022	6,249	4,242	2,474	48	25,872	22,989	2,883	*11·1*	18,993
1978 *1*	33,366	19,513	385	2,865	4,185	6,418	4,968	2,511	98	25,789	21,957	3,832	*14·9*	18,366
2	34,964	20,683	420	3,039	4,462	6,360	4,973	2,433	65	27,493	23,067	4,426	*16·1*	19,173
3	36,203	21,289	413	3,123	4,430	6,948	4,781	2,498	72	28,852	24,539	4,313	*14·9*	19,882
4	37,409	21,887	425	3,214	4,735	7,148	4,914	2,581	66	29,848	26,170	3,678	*12·3*	20,286
1979 *1*	38,270	22,320	424	3,265	4,942	7,319	5,376	2,609	85	30,200	24,806	5,394	*17·9*	19,787
Seasonally adjusted														
1976 *1*	26,771	15,999	354	2,241	3,075	5,102	4,289	1,854	33	20,595	17,354	3,241	*15·8*	18,692
2	27,464	16,545	351	2,447	3,099	5,022	4,361	2,136	7	20,960	17,919	3,041	*14·5*	18,499
3	28,433	17,024	390	2,534	3,201	5,284	4,213	2,194	5	22,021	18,614	3,407	*15·5*	18,814
4	29,179	17,364	378	2,614	3,388	5,435	4,617	2,246	8	22,308	19,512	2,796	*12·5*	18,272
1977 *1*	30,122	17,746	355	2,626	3,558	5,837	4,739	2,253	29	23,101	19,796	3,305	*14·3*	18,215
2	30,726	18,195	361	2,686	3,747	5,737	4,688	2,367	12	23,659	20,462	3,197	*13·5*	17,962
3	31,334	18,483	406	2,723	3,759	5,963	4,501	2,398	25	24,410	21,464	2,946	*12·1*	18,024
4	32,589	19,099	378	2,803	4,042	6,267	4,376	2,474	48	25,691	21,794	3,897	*15·2*	18,746
1978 *1*	33,432	19,648	385	2,865	4,154	6,380	4,849	2,511	98	25,974	22,801	3,173	*12·2*	18,604
2	35,246	20,708	420	3,039	4,366	6,713	5,063	2,433	65	27,685	23,466	4,219	*15·2*	19,421
3	35,889	21,225	413	3,123	4,455	6,673	4,674	2,498	72	28,645	24,530	4,115	*14·4*	19,660
4	37,375	21,791	425	3,214	4,837	7,108	5,050	2,581	66	29,678	24,936	4,742	*16·0*	20,022
1979 *1*	38,374	22,475	424	3,265	4,912	7,298	5,277	2,609	85	30,403	25,825	4,578	*15·1*	20,038

[1] Before providing for depreciation and stock appreciation.
[2] Employers' contributions to national insurance, etc. and pension funds.
[3] National insurance benefits, family allowances, assistance grants, war pensions and service grants, etc.
[4] Income from rent and self-employment, before providing for depreciation and stock appreciation, dividend and net interest receipts, transfers to charities from companies and an imputed charge for the capital consumption of private, non-profit-making bodies.
[5] From the second quarter of 1973 includes tax credits on dividends.
[6] From the second quarter of 1973 includes imputed tax payments set against tax credits on dividends *less* payments of these tax credits by the Inland Revenue.
[7] Equals total personal income before tax *less* payments of taxes on income, national insurance, etc. contributions and net transfers abroad.
[8] Before providing for depreciation, stock appreciation and additions to tax reserves.
[9] Personal saving as a percentage of total personal disposable income is shown in italics.
[10] Personal disposable income revalued by the implied consumers' expenditure deflator (1975 = 100).

Consumers' expenditure

TABLE 5

£ million

	Total	Food (household expenditure)	Alcoholic drink: Beer	Alcoholic drink: Wines spirits, etc.	Tobacco	Housing	Fuel and light	Clothing: Footwear	Clothing: Other	Durable goods: Total	Durable goods: Cars and motor cycles	Durable goods: Furniture and floor coverings	Durable goods: Radio and electrical goods, etc.	Other goods	Other services
At current prices															
1973	45,240	8,489	1,807	1,616	1,945	6,143	1,897	629	3,217	4,231	1,799	1,154	1,278	7,008	8,258
1974	51,956	9,817	2,071	1,844	2,238	7,434	2,268	726	3,746	4,086	1,431	1,266	1,389	8,528	9,198
1975	63,328	12,072	2,680	2,176	2,748	9,222	2,916	846	4,324	5,020	1,816	1,559	1,645	10,358	10,966
1976	73,399	14,104	3,282	2,554	3,107	10,837	3,600	970	4,791	6,018	2,306	1,821	1,891	11,849	12,287
1977	83,516	16,199	3,788	2,751	3,632	12,661	4,261	1,146	5,490	6,767	2,706	1,986	2,075	13,229	13,592
1978	95,733	17,952	4,182	3,289	3,933	14,336	4,654	1,403	6,464	8,948	4,084	2,350	2,514	14,771	15,801
Unadjusted															
1976 *1*	16,631	3,317	611	414	668	2,518	1,123	188	981	1,458	610	424	424	2,603	2,750
2	17,664	3,392	828	545	796	2,731	699	237	1,115	1,361	583	394	384	2,850	3,110
3	18,565	3,537	961	568	820	2,771	615	245	1,149	1,518	610	444	464	3,014	3,367
4	20,539	3,858	882	1,027	823	2,817	1,163	300	1,546	1,681	503	559	619	3,382	3,060
1977 *1*	19,014	3,829	752	464	777	2,942	1,298	228	1,127	1,656	734	461	461	2,933	3,008
2	20,157	4,014	966	554	939	3,241	919	264	1,233	1,488	651	424	413	3,115	3,424
3	21,356	4,024	1,048	664	966	3,238	766	293	1,347	1,824	813	493	518	3,421	3,765
4	22,989	4,332	1,022	1,069	950	3,240	1,278	361	1,783	1,799	508	608	683	3,760	3,395
1978 *1*	21,957	4,232	891	565	899	3,369	1,479	273	1,300	2,172	1,074	530	568	3,267	3,510
2	23,067	4,339	1,044	697	1,012	3,630	984	326	1,471	2,061	1,038	511	512	3,499	4,004
3	24,539	4,610	1,129	790	1,018	3,646	830	362	1,594	2,438	1,214	595	629	3,797	4,325
4	26,170	4,771	1,118	1,237	1,004	3,691	1,361	442	2,099	2,277	758	714	805	4,208	3,962
1979 *1*	24,806	4,750	908	738	922	3,853	1,766	326	1,462	2,554	1,293	601	660	3,600	3,927
Revalued at 1975 prices															
1973	65,586	12,210	2,589	2,187	2,918	9,047	2,930	817	4,364	6,068	2,668	1,657	1,743	10,629	11,827
1974	64,162	12,099	2,590	2,302	2,885	9,107	2,983	823	4,284	4,972	1,731	1,498	1,743	10,647	11,470
1975	63,328	12,072	2,680	2,176	2,748	9,222	2,916	846	4,324	5,020	1,816	1,559	1,645	10,358	10,966
1976	63,479	12,189	2,738	2,273	2,653	9,391	2,894	869	4,325	5,361	1,977	1,625	1,759	10,475	10,311
1977	62,897	12,049	2,728	2,209	2,523	9,571	2,964	889	4,426	5,114	1,920	1,505	1,689	10,170	10,254
1978	66,431	12,312	2,803	2,512	2,770	9,789	3,019	992	4,848	6,027	2,498	1,618	1,911	10.539	10,820
Unadjusted															
1976 *1*	15,067	2,980	547	387	607	2,319	966	175	924	1,347	557	397	393	2,407	2,408
2	15,533	3,005	696	486	697	2,398	569	218	1,025	1,237	510	357	370	2,562	2,640
3	15,933	3,097	790	500	682	2,360	479	217	1,036	1,347	509	396	442	2,652	2,773
4	16,946	3,107	705	900	667	2,314	880	259	1,340	1,430	401	475	554	2,854	2,490
1977 *1*	14,927	2,886	561	377	585	2,367	952	188	948	1,313	554	368	391	2,382	2,368
2	15,228	2,995	704	454	650	2,445	641	206	1,020	1,135	468	325	342	2,383	2,595
3	15,856	2,995	742	532	647	2,399	518	226	1,072	1,343	557	369	417	2,607	2,775
4	16,886	3,173	721	846	641	2,360	853	269	1,386	1,323	341	443	539	2,798	2,516
1978 *1*	15,640	2,977	610	444	631	2,407	987	200	1,003	1,502	681	378	443	2,394	2,485
2	16,089	2,991	695	532	724	2,499	637	234	1,111	1,394	646	357	391	2,526	2,746
3	16,913	3,166	751	601	720	2,459	526	254	1,191	1,609	726	408	475	2,711	2,925
4	17,789	3,178	747	935	695	2,424	869	304	1,543	1,522	444	475	602	2,908	2,664
1979 *1*	16,253	3,040	589	508	635	2,475	1,124	222	1,057	1,616	730	396	490	2,437	2,550
Seasonally adjusted															
1976 *1*	15,758	3,042	623	556	652	2,319	760	206	1,065	1,307	494	403	410	2,611	2,617
2	15,822	3,033	687	547	676	2,341	689	223	1,081	1,311	472	399	440	2,639	2,595
3	15,910	3,094	723	560	669	2,360	702	218	1,088	1,355	482	408	465	2,605	2,536
4	16,989	3,020	705	610	656	2,371	743	222	1,091	1,388	529	415	444	2,620	2,563
1977 *1*	15,610	2,949	638	551	629	2,367	737	222	1,096	1,297	510	375	412	2,576	2,548
2	15,535	3,024	693	507	631	2,387	765	211	1,077	1,225	454	364	407	2,463	2,552
3	15,849	2,995	676	588	634	2,400	749	226	1,124	1,334	515	380	439	2,563	2,560
4	15,903	3,081	721	563	629	2,417	713	230	1,129	1,258	441	386	431	2,568	2,594
1978 *1*	16,326	3,036	690	629	679	2,407	759	236	1,161	1,448	601	384	463	2,587	2,694
2	16,456	3,019	684	605	704	2,439	762	240	1,175	1,510	646	400	464	2,617	2,701
3	16,831	3,128	683	661	701	2,460	770	255	1,252	1,583	673	420	490	2,672	2,666
4	16,818	3,129	746	617	686	2,483	728	261	1,260	1,486	578	414	494	2,663	2,759
1979 *1*	17,021	3,140	666	725	683	2,476	864	262	1,222	1,555	643	401	511	2,633	2,795

Appropriation account of companies and financial institutions

TABLE 6

£ million

	Income						Allocation of income					
	Income arising in the United Kingdom						Dividends and interest, etc.					
	Gross trading profits											
	Total[1]	After deducting stock appreciation	Stock appreciation	Total[2]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[1]
1973	15,570	6,580	2,352	8,932	4,206	2,432	1,695	3,336	754	1,760	8,025	*2,550*
1974	17,464	4,641	4,867	9,508	5,270	2,686	1,518	4,377	655	2,609	8,305	*4,176*
1975	18,117	5,685	4,457	10,142	5,630	2,345	1,645	4,536	622	2,143	9,171	*3,626*
1976	23,072	7,756	5,151	12,907	6,764	3,401	1,897	4,935	977	2,096	13,167	*4,417*
1977	26,233	11,530	3,978	15,508	7,316	3,409	2,309	5,171	1,828	2,991	13,934	*4,263*
1978	28,867	13,793	3,150	16,943	8,139	3,785	2,769	5,295	1,931	3,867	15,005	*4,009*
Unadjusted												
1976 *1*	5,113	1,768	1,111	2,879	1,490	744	371	1,109	261	1,301	2,071	*1,039*
2	5,435	1,822	1,179	3,001	1,608	826	555	1,180	216	135	3,349	*1,068*
3	5,705	1,814	1,289	3,103	1,724	878	480	1,197	218	308	3,502	*1,156*
4	6,819	2,352	1,572	3,924	1,942	953	491	1,449	282	352	4,245	*1,154*
1977 *1*	6,877	2,550	1,581	4,131	1,887	859	432	1,379	421	1,787	2,858	*1,084*
2	6,450	2,682	1,031	3,713	1,848	889	647	1,315	514	235	3,739	*1,111*
3	6,548	3,014	872	3,886	1,832	830	606	1,237	429	449	3,827	*1,034*
4	6,358	3,284	494	3,778	1,749	831	624	1,240	464	520	3,510	*1,034*
1978 *1*	6,472	3,376	534	3,910	1,769	793	525	1,099	464	2,138	2,246	*937*
2	6,821	3,017	924	3,941	1,931	949	801	1,205	474	296	4,045	*1,022*
3	7,601	3,742	740	4,482	2,111	1,008	668	1,385	424	567	4,557	*1,073*
4	7,973	3,658	952	4,610	2,328	1,035	775	1,606	569	866	4,157	*977*
1979 *1*	8,259	3,093	1,500	4,593	2,549	1,117	601	1,740	599	2,217	3,102	*1,121*
Seasonally adjusted												
1976 *1*	5,070	1,699	1,111	2,810	1,488	772	503	1,152	267	452	2,696	*1,019*
2	5,476	1,883	1,179	3,062	1,610	804	454	1,175	202	542	3,103	*1,059*
3	5,846	1,938	1,289	3,227	1,720	899	451	1,201	244	499	3,451	*1,200*
4	6,680	2,236	1,572	3,808	1,946	926	489	1,407	264	603	3,917	*1,139*
1977 *1*	6,882	2,507	1,581	4,088	1,898	896	592	1,417	427	763	3,683	*1,102*
2	6,569	2,845	1,031	3,876	1,829	864	522	1,307	491	682	3,567	*1,100*
3	6,493	2,934	872	3,806	1,837	850	572	1,244	465	798	3,414	*1,029*
4	6,289	3,244	494	3,738	1,752	799	623	1,203	445	748	3,270	*1,032*
1978 *1*	6,434	3,326	534	3,860	1,757	817	720	1,136	471	892	3,215	*960*
2	6,991	3,217	924	4,141	1,915	935	645	1,211	453	890	3,792	*1,012*
3	7,491	3,592	740	4,332	2,131	1,028	632	1,392	459	976	4,032	*1,063*
4	7,951	3,658	952	4,610	2,336	1,005	772	1,556	548	1,109	3,966	*974*
1979 *1*	8,236	3,043	1,500	4,543	2,550	1,143	830	1,757	605	990	4,054	*1,149*

[1] Taxes paid abroad are not included in total income, but are shown only as a memorandum item.

[2] Before providing for depreciation and stock appreciation.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.

[4] Mainly payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax. The amounts of advance corporation tax paid since 6 April 1973, gross of repayments and including the additional charge in the financial year 1974-75, are as follows:

(£ million)

		1973	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*
Quarter	*1*	—	153	291	270	315	356	414
	2	4	200	181	206	247	256	
	3	134	393	253	280	347	422	
	4	138	274	213	259	303	330	
Year		276	1,020	938	1,015	1,212	1,364	

[5] Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of industrial and commercial companies

TABLE 7

£ million

	Income							Allocation of income						
		Income arising in the United Kingdom						Dividends and interest, etc.						
		Gross trading profits			Rent and non-trading income									
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1973	12,832	7,398	2,352	9,750	1,029	501	2,053	1,638	2,365	1,806	665	1,021	7,143	2,360
1974	14,671	6,191	4,867	11,058	1,325	695	2,288	1,469	3,340	2,716	525	1,816	7,521	4,012
1975	15,021	7,463	4,457	11,920	1,309	619	1,792	1,608	3,309	2,674	447	1,150	8,507	3,453
1976	19,111	9,810	5,151	14,961	1,613	814	2,537	1,852	3,815	3,156	744	896	11,804	4,116
1977	21,825	13,665	3,978	17,643	1,526	651	2,656	2,242	3,757	3,068	1,578	1,643	12,605	3,884
1978	23,901	16,083	3,150	19,233	1,892	855	2,776	2,706	4,055	3,480	1,717	2,465	12,958	3,641
Unadjusted														
1976 *1*	4,254	2,251	1,111	3,362	342	159	550	359	802	666	194	211	2,688	967
2	4,503	2,325	1,179	3,504	379	181	620	524	878	722	150	86	2,865	995
3	4,694	2,337	1,289	3,626	408	204	660	476	951	784	168	276	2,823	1,078
4	5,660	2,897	1,572	4,469	484	270	707	493	1,184	984	232	323	3,428	1,076
1977 *1*	5,777	3,075	1,581	4,656	443	230	678	419	1,055	908	347	566	3,390	990
2	5,321	3,212	1,031	4,243	372	156	706	615	933	773	440	180	3,153	1,020
3	5,426	3,549	872	4,421	364	143	641	588	905	731	378	407	3,148	938
4	5,301	3,829	494	4,323	347	122	631	620	864	656	413	490	2,914	936
1978 *1*	5,463	3,949	534	4,483	375	141	605	517	763	632	413	878	2,892	858
2	5,670	3,583	924	4,507	451	203	712	755	954	823	423	232	3,306	930
3	6,276	4,315	740	5,055	502	235	719	653	1,091	944	368	525	3,639	974
4	6,492	4,236	952	5,188	564	276	740	781	1,247	1 081	513	830	3,121	879
1979 *1*	6,697	3,688	1,500	5,188	605	299	904	596	1,330	1,208	543	942	3,286	1,023
Seasonally adjusted														
1976 *1*	4,204	2,182	1,111	3,293	342	159	569	487	848	673	200	193	2,476	947
2	4,555	2,386	1,179	3,565	381	181	609	431	873	709	136	232	2,883	986
3	4,835	2,461	1,289	3,750	408	204	677	449	953	787	194	213	3,026	1,122
4	5,517	2,781	1,572	4,353	482	270	682	485	1,141	987	214	258	3,419	1,061
1977 *1*	5,755	3,032	1,581	4,613	443	230	699	572	1,102	917	353	419	3,309	1,008
2	5,474	3,375	1,031	4,406	373	156	695	508	928	759	417	375	3,246	1,009
3	5,361	3,469	872	4,341	364	143	656	555	906	733	414	438	3,048	933
4	5,235	3,789	494	4,283	346	122	606	607	821	659	394	411	3,002	934
1978 *1*	5,435	3,899	534	4,433	375	141	627	704	804	642	420	567	2,940	881
2	5,860	3,783	924	4,707	452	203	701	625	951	808	402	566	3,316	920
3	6,138	4,165	740	4,905	502	235	731	615	1,093	946	403	625	3,402	964
4	6,468	4,236	952	5,188	563	276	717	762	1,207	1,084	492	707	3,300	876
1979 *1*	6,671	3,638	1,500	5,138	605	299	928	816	1,372	1,220	549	650	3,284	1,051

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memorandum items.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and accruals of financial companies and institutions taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax. In the first quarter of 1979 the amount of advance corporation tax included was £378 million.
[5] Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of financial companies and institutions

TABLE 8

£ million

	Income						Allocation of income							
		Income arising in the United Kingdom					Dividends and interest, etc.							
			Rent and non-trading income			Income from abroad (net of taxes paid abroad)	Dividends and debenture and loan interest payments[3]	Other interest payments			Profits due abroad (net of UK tax)	UK taxes on income[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[6]
	Total	Gross trading profits[1, 2]	of the Banking sector	of Building societies	Other			by the Banking sector	by Building societies	Other				
1973	5,045	— 818	3,238	1,467	779	379	307	1,418	1,361	249	89	739	882	*190*
1974	6,204	—1,550	4,608	1,930	818	398	277	2,201	1,743	276	130	793	784	*164*
1975	6,389	—1,778	4,494	2,248	872	553	298	1,968	2,002	289	175	993	664	*173*
1976	7,931	—2,054	5,325	2,650	1,146	864	326	2,200	2,298	311	233	1,200	1,363	*301*
1977	8,127	—2,135	4,891	3,146	1,472	753	379	1,773	2,717	331	250	1,348	1,329	*379*
1978	9,301	—2,290	5,523	3,355	1,704	1,009	419	2,074	2,788	357	214	1,402	2,047	*368*
Unadjusted														
1976 *1*	1,684	—483	1,132	611	230	194	69	448	551	76	67	1,090	—617	*72*
2	1,835	—503	1,187	644	301	206	113	498	550	75	66	49	484	*73*
3	1,999	—523	1,332	673	299	218	72	535	554	77	50	32	679	*78*
4	2,413	—545	1,674	722	316	246	72	719	643	83	50	29	817	*78*
1977 *1*	2,238	—525	1,466	792	324	181	74	599	715	87	74	1,221	—532	*94*
2	2,058	—530	1,216	807	382	183	123	446	695	79	74	55	586	*91*
3	1,996	—535	1,163	792	387	189	100	380	660	84	51	42	679	*96*
4	1,835	—545	1,046	755	379	200	82	348	647	81	51	30	596	*98*
1978 *1*	1,782	—573	1,021	766	380	188	78	341	612	86	51	1,260	—646	*79*
2	2,177	—566	1,303	777	426	237	150	482	603	88	51	64	739	*92*
3	2,504	—573	1,492	859	437	289	97	561	742	88	56	42	918	*99*
4	2,838	—578	1,707	953	461	295	94	690	831	95	56	36	1,036	*98*
1979 *1*	3,069	—595	1,932	1,077	442	213	82	760	967	113	56	1,275	—184	*98*
Seasonally adjusted														
1976 *1*	1,698	—483	1,132	609	237	203	77	448	551	76	67	259	220	*72*
2	1,811	—503	1,187	644	288	195	94	498	548	75	66	310	220	*73*
3	2,002	—523	1,332	669	302	222	71	535	558	77	50	286	425	*78*
4	2,420	—545	1,674	728	319	244	84	719	641	83	50	345	498	*78*
1977 *1*	2,274	—525	1,466	803	333	197	90	599	706	87	74	344	374	*94*
2	2,010	—530	1,216	787	368	169	93	446	690	79	74	307	321	*91*
3	2,008	—535	1,163	797	389	194	98	380	669	84	51	360	366	*96*
4	1,835	—545	1,046	759	382	193	98	348	652	81	51	337	268	*98*
1978 *1*	1,782	—573	1,021	754	390	190	96	341	608	86	51	325	275	*79*
2	2,142	—566	1,303	760	411	234	110	482	611	88	51	324	476	*92*
3	2,534	—573	1,492	879	439	297	98	561	750	88	56	351	630	*99*
4	2,843	—578	1,707	962	464	288	115	690	819	95	56	402	666	*98*
1979 *1*	3,084	—595	1,932	1,078	454	215	103	760	942	113	56	340	770	*98*

[1] Before providing for depreciation and stock appreciation, but the latter is negligible.

[2] This represents the contribution of financial companies and institutions to the gross domestic product. It is the difference between bank charges, commissions, etc., on the one hand and management expenses (wages and salaries and payments for current expenses) on the other.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.

[4] The accrual of corporation tax on taxable income including from 6 April 1973 advance corporation tax due from financial companies and institutions.

[5] Before providing for depreciation, stock appreciation and additions to reserves.

[6] This item is shown only as a memorandum item.

Appropriation account of public corporations

TABLE 9

£ million

	Income							Allocation of income				
		Gross trading surplus						Payments of interest and dividends				
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Of which subsidies	Rent and non-trading income	Income from abroad	Total	To general government	Other	Payments of UK taxes on income[2]	Balance undistributed income[3]
1973	2,408	1,975	88	2,063	654	325	20	1,133	889	244	8	1,267
1974	2,997	2,245	313	2,558	1,338	409	30	1,586	1,158	428	11	1,400
1975	3,599	2,744	349	3,093	1,140	466	40	1,906	1,341	565	12	1,681
1976	5,261	4,130	372	4,502	1,005	703	56	2,395	1,650	745	2	2,864
1977	5,822	4,693	342	5,035	1,044	725	62	2,521	1,781	740	21	3,280
1978	6,099	4,956	354	5,310	1,134	717	72	2,488	1,692	796	18	3,593
Unadjusted												
1976 *1*	1,169	905	118	1,023	240	134	12	641	520	121	2	526
2	1,215	919	120	1,039	273	162	14	480	298	182	—	735
3	1,175	879	97	976	243	184	15	681	479	202	—	494
4	1,702	1,427	37	1,464	249	223	15	593	353	240	—	1,109
1977 *1*	1,620	1,191	214	1,405	257	200	15	721	549	172	21	878
2	1,335	1,087	48	1,135	251	185	15	513	332	181	—	822
3	1,285	1,030	65	1,095	259	174	16	845	664	181	—	440
4	1,582	1,385	15	1,400	277	166	16	442	236	206	—	1,140
1978 *1*	1,554	1,230	129	1,359	273	178	17	719	561	158	18	817
2	1,443	1,184	60	1,244	282	182	17	538	295	243	—	905
3	1,286	1,046	58	1,104	287	166	16	681	514	167	—	605
4	1,816	1,496	107	1,603	292	191	22	550	322	228	—	1,266
1979 *1*	1,824	1,398	216	1,614	385	192	18	832	628	204	63	929
Seasonally adjusted												
1976 *1*	1,142	878	118	996	240	134	12	508	387	121	1	633
2	1,294	998	120	1,118	273	162	14	606	424	182	—	688
3	1,355	1,059	97	1,156	243	184	15	569	367	202	—	786
4	1,470	1,195	37	1,232	249	223	15	712	472	240	1	757
1977 *1*	1,511	1,082	214	1,296	257	200	15	600	428	172	5	906
2	1,448	1,200	48	1,248	251	185	15	702	521	181	5	741
3	1,541	1,286	65	1,351	259	174	16	711	530	181	5	825
4	1,322	1,125	15	1,140	277	166	16	508	302	206	6	808
1978 *1*	1,443	1,119	129	1,248	273	178	17	591	433	158	5	847
2	1,545	1,286	60	1,346	282	182	17	675	432	243	4	866
3	1,507	1,267	58	1,325	287	166	16	559	392	167	4	944
4	1,604	1,284	107	1,391	292	191	22	663	435	228	5	936
1979 *1*	1,695	1,269	216	1,485	385	192	18	695	491	204	16	984

[1] Including from the second quarter of 1974, regional water authorities and trust ports.
[2] Before providing for depreciation and stock appreciation.
[3] Payments to Inland Revenue less amounts deducted from dividends and interest paid.
[4] Before providing for depreciation, stock appreciation and additions to reserves.

Current account of central government including National Insurance Fund

TABLE 10

	Receipts										
	£ million										
			Taxes on expenditure								
	Total	Taxes on income[1]	Selective employment tax	National insurance surcharge	Other taxes	National insurance contributions	National health contributions	Redundancy Fund contributions[2]	Gross trading surplus[3]	Rent, dividends and interest	Imputed charge for consumption of non-trading capital
1973	22,559	9,252	132	—	7,343	3,646	239	52	5	1,769	121
1974	28,147	12,414	—	—	8,381	4,713	235	52	51	2,142	159
1975	36,333	16,485	—	—	10,184	6,308	450	87	75	2,533	211
1976	42,565	18,745	—	—	12,043	7,710	606	114	37	3,051	259
1977	48,916	20,315	—	980	14,272	8,664	675	153	51	3,511	295
1978	54,318	22,361	—	1,751	16,001	9,079	762	182	47	3,806	329
Unadjusted											
1976 *1*	11,027	5,592	—	—	2,637	1,691	137	26	3	879	62
2	9,943	4,196	—	—	2,896	1,955	152	29	4	647	64
3	10,489	4,299	—	—	3,053	2,008	157	29	25	853	65
4	11,106	4,658	—	—	3,457	2,056	160	30	5	672	68
1977 *1*	12,960	6,575	—	—	3,050	2,062	160	31	15	997	70
2	11,542	4,560	—	320	3,462	2,159	168	40	13	748	72
3	12,326	4,696	—	325	3,691	2,187	171	40	28	1,113	75
4	12,088	4,484	—	335	4,069	2,256	176	42	−5	653	78
1978 *1*	14,414	6,937	—	339	3,409	2,290	179	42	14	1,124	80
2	12,622	4,969	—	364	3,941	2,199	189	45	11	823	81
3	13,199	5,005	—	373	4,180	2,257	194	47	14	1,046	83
4	14,083	5,450	—	675	4,471	2,333	200	48	8	813	85
1979 *1*	16,054	7,469	—	684	3,976	2,357	203	49	10	1,217	89
Seasonally adjusted											
1976 *1*	9,958	4,493	—	—	2,822	1,691	137	26	3	724	62
2	10,645	4,723	—	—	2,942	1,955	152	29	4	776	64
3	10,593	4,496	—	—	3,079	2,008	157	29	25	734	65
4	11,369	5,033	—	—	3,200	2,056	160	30	5	817	68
1977 *1*	11,672	5,223	—	—	3,261	2,062	160	31	15	850	70
2	12,383	5,166	—	320	3,510	2,159	168	40	13	935	72
3	12,576	5,035	—	325	3,731	2,187	171	40	28	984	75
4	12,285	4,891	—	335	3,770	2,256	176	42	−5	742	78
1978 *1*	13,007	5,405	—	339	3,692	2,290	179	42	14	966	80
2	13,521	5,693	—	364	3,970	2,199	189	45	11	969	81
3	13,468	5,389	—	373	4,191	2,257	194	47	14	920	83
4	14,322	5,874	—	675	4,148	2,333	200	48	8	951	85
1979 *1*	14,626	5,908	—	684	4,280	2,357	203	49	10	1,046	89

[1] Tax receipts less tax credits.
[2] Include, from April 1977, contributions to the Maternity Pay Fund.
[3] Before providing for depreciation and stock appreciation.

Current account of central government including National Insurance Fund

TABLE 10 *(continued)*

	Expenditure												
	£ million												
			Final consumption										
	Total	Total current expenditure	Total	Military defence	National health service	Other	Subsidies	National insurance benefits	Other current grants to personal sector	Debt interest	Current grants to local authorities	Current grants paid abroad	Balance: current surplus[1]
1973	22,559	21,406	7,773	3,399	2,524	1,850	1,328	3,927	2,220	1,834	3,965	359	1,153
1974	28,147	27,489	9,926	4,012	3,572	2,342	2,712	4,922	2,638	2,233	4,738	320	658
1975	36,333	37,207	13,241	5,097	4,903	3,241	3,246	6,377	3,490	2,760	7,726	367	−874
1976	42,565	44,833	15,771	6,163	5,788	3,820	2,947	7,918	4,288	3,737	9,388	784	−2,268
1977	48,916	49,648	17,363	6,780	6,477	4,106	2,796	9,203	5,165	4,640	9,370	1,111	−732
1978	54,318	56,920	19,459	7,469	7,359	4,631	3,018	10,465	6,491	5,628	10,147	1,712	−2,602
Unadjusted													
1976 *1*	11,027	11,360	3,828	1,486	1,369	973	685	1,947	972	979	2,726	223	−333
2	9,943	10,785	3,875	1,508	1,444	923	820	1,928	1,048	746	2,207	161	−842
3	10,489	11,233	3,977	1,566	1,454	957	737	1,944	1,085	1,171	2,135	184	−744
4	11,106	11,455	4,091	1,603	1,521	967	705	2,099	1,183	841	2,320	216	−349
1977 *1*	12,960	12,195	4,167	1,605	1,532	1,030	736	2,253	1,098	1,246	2,379	316	765
2	11,542	12,236	4,279	1,671	1,607	1,001	708	2,224	1,314	1,041	2,399	271	−694
3	12,326	12,421	4,431	1,764	1,645	1,022	653	2,265	1,307	1,269	2,202	294	−95
4	12,088	12,796	4,486	1,740	1,693	1,053	699	2,461	1,446	1,084	2,390	230	−708
1978 *1*	14,414	13,971	4,721	1,785	1,768	1,168	739	2,583	1,352	1,468	2,536	572	443
2	12,622	13,808	4,741	1,859	1,749	1,133	726	2,570	1,618	1,177	2,626	350	−1,186
3	13,199	14,313	4,924	1,882	1,897	1,145	762	2,575	1,653	1,544	2,425	430	−1,114
4	14,083	14,828	5,073	1,943	1,945	1,185	791	2,737	1,868	1,439	2,560	360	−745
1979 *1*	16,054	15,787	5,180	1,934	1,952	1,294	926	2,902	1,761	1,683	2,766	569	267
Seasonally adjusted													
1976 *1*	9,958	10,479	3,768	1,486	1,374	908	647	1,947	1,006	852	2,102	157	−521
2	10,645	11,192	3,918	1,508	1,443	967	847	1,947	1,019	881	2,415	165	−547
3	10,593	11,390	3,994	1,566	1,454	974	754	1,955	1,100	1,022	2,343	222	−797
4	11,369	11,772	4,091	1,603	1,517	971	699	2,069	1,163	982	2,528	240	−403
1977 *1*	11,672	11,772	4,110	1,605	1,537	968	696	2,255	1,137	1,169	2,161	244	−100
2	12,383	12,462	4,318	1,671	1,603	1,044	732	2,244	1,277	1,144	2,472	275	−79
3	12,576	12,450	4,450	1,764	1,649	1,037	671	2,275	1,325	1,145	2,275	309	126
4	12,285	12,964	4,485	1,740	1,688	1,057	697	2,429	1,426	1,182	2,462	283	−679
1978 *1*	13,007	13,373	4,648	1,785	1,773	1,090	704	2,586	1,400	1,222	2,337	476	−366
2	13,521	14,204	4,792	1,859	1,745	1,188	747	2,590	1,574	1,433	2,693	375	−683
3	13,468	14,400	4,947	1,882	1,901	1,164	779	2,585	1,674	1,460	2,491	464	−932
4	14,322	14,943	5,072	1,943	1,940	1,189	788	2,704	1,843	1,513	2,626	397	−621
1979 *1*	14,626	15,259	5,107	1,934	1,957	1,216	893	2,906	1,827	1,482	2,567	477	−633

[1] Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 11

	Receipts						
	£ million						
	Total	Current grants from central government	Rates		Gross trading surplus[2]	Rent, dividends and interest	Imputed charge for consumption of non-trading capital
			Cash receipts	Accruals adjustment[1]			
1973	8,139	3,965	2,533	114	134	1,069	324
1974	9,851	4,738	3,083	6	97	1,549	378
1975	14,240	7,726	4,127	−149	102	1,945	489
1976	16,987	9,388	4,646	−143	122	2,394	580
1977	17,840	9,370	5,240	−175	150	2,603	652
1978	19,537	10,147	5,761	− 68	175	2,812	710
Unadjusted							
1976 *1*	4,511	2,726	829	236	27	556	137
2	4,104	2,207	1,210	− 73	30	587	143
3	4,069	2,135	1,125	21	32	608	148
4	4,303	2,320	1,482	−327	33	643	152
1977 *1*	4,383	2,379	786	379	36	645	158
2	4,523	2,399	1,460	−171	37	637	161
3	4,363	2,202	1,309	− 10	38	659	165
4	4,571	2,390	1,685	−373	39	662	168
1978 *1*	4,757	2,536	774	554	42	679	172
2	4,976	2,626	1,761	−317	43	688	175
3	4,810	2,425	1,342	113	44	707	179
4	4,994	2,560	1,884	−418	46	738	184
1979 *1*	5,252	2,766	853	622	48	771	192
Seasonally adjusted							
1976 *1*	3,887	2,102	1,065		27	556	137
2	4,315	2,415	1,137		30	590	143
3	4,282	2,343	1,146		32	613	148
4	4,503	2,528	1,155		33	635	152
1977 *1*	4,165	2,161	1,165		36	645	158
2	4,608	2,472	1,289		37	649	161
3	4,427	2,275	1,299		38	650	165
4	4,640	2,462	1,312		39	659	168
1978 *1*	4,554	2,337	1,328		42	675	172
2	5,045	2,693	1,444		43	690	175
3	4,877	2,491	1,455		44	708	179
4	5,061	2,626	1,466		46	739	184
1979 *1*	5,052	2,567	1,475		48	770	192

[1] Adjustment to accruals of rates for the quarter, as included in taxes on expenditure and in the adjustment to factor cost in Table 1.
[2] Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 11 *(continued)*

	Expenditure								
	£ million								
	Total	Total current expenditure	Final consumption		Subsidies	Current grants to personal sector	Debt interest	Taxes on income (payments)[1]	Balance: current surplus[2]
			Education	Other					
1973	8,139	7,385	2,670	2,884	114	273	1,444	—	754
1974	9,851	9,283	3,196	3,442	284	315	2,046	—	568
1975	14,240	12,932	4,920	4,801	463	416	2,332	—	1,308
1976	16,987	14,748	5,364	5,536	473	557	2,818	—	2,239
1977	17,840	16,039	5,801	6,009	456	738	3,035	—	1,801
1978	19,537	17,716	6,530	6,740	541	856	3,049	—	1,821
Unadjusted									
1976 *1*	4,511	3,766	1,285	1,296	119	160	850	56	745
2	4,104	3,551	1,370	1,366	121	163	503	28	553
3	4,069	3,729	1,311	1,441	117	142	770	−52	340
4	4,303	3,702	1,398	1,433	116	92	695	−32	601
1977 *1*	4,383	4,194	1,411	1,442	112	197	970	62	189
2	4,523	3,924	1,480	1,507	118	244	543	32	599
3	4,363	4,025	1,425	1,516	119	182	841	−58	338
4	4,571	3,896	1,485	1,544	107	115	681	−36	675
1978 *1*	4,757	4,572	1,530	1,677	122	250	938	55	185
2	4,976	4,288	1,635	1,616	133	274	590	40	688
3	4,810	4,350	1,600	1,683	139	202	785	−59	460
4	4,994	4,506	1,765	1,764	147	130	736	−36	488
1979 *1*	5,252	5,204	1,846	1,784	153	279	1,067	75	48
Seasonally adjusted									
1976 *1*	3,887	3,493	1,271	1,296	119	122	685	—	394
2	4,315	3,653	1,364	1,366	121	133	669	—	662
3	4,282	3,761	1,342	1,441	117	146	715	—	521
4	4,503	3,841	1,387	1,433	116	156	749	—	662
1977 *1*	4,165	3,896	1,397	1,442	112	166	779	—	269
2	4,608	4,062	1,469	1,507	118	226	742	—	546
3	4,427	4,031	1,461	1,516	119	159	776	—	396
4	4,640	4,050	1,474	1,544	107	187	738	—	590
1978 *1*	4,554	4,225	1,515	1,677	122	168	743	—	329
2	5,045	4,385	1,622	1,616	133	202	812	—	660
3	4,877	4,358	1,640	1,683	139	196	700	—	519
4	5,061	4,748	1,753	1,764	147	290	794	—	313
1979 *1*	5,052	4,808	1,830	1,784	153	179	862	—	244

[1] Payments to Inland Revenue *less* amounts deducted from interest paid.
[2] Before providing for depreciation and stock appreciation.

International transactions

TABLE 12

	United Kingdom credits					
	£ million					
		Exports and property income from abroad				
	Total credits	Exports of goods[1]	Exports of services	Property income from abroad	UK taxes paid by non-residents	Current transfers to personal sector
1973	23,252	12,115	5,134	5,363	341	299
1974	31,136	16,538	6,501	7,354	410	333
1975	34,381	19,463	7,575	6,492	502	349
1976	44,591	25,411	9,894	8,355	475	456
1977	52,967	32,148	11,532	8,411	376	500
1978	57,506	35,432	12,263	8,888	376	547
Unadjusted						
1976 *1*	9,906	5,717	2,031	1,918	127	113
2	10,899	6,312	2,331	2,038	105	113
3	11,446	6,207	2,859	2,162	106	112
4	12,340	7,175	2,673	2,237	137	118
1977 *1*	12,358	7,580	2,494	2,081	87	116
2	13,296	8,097	2,795	2,175	106	123
3	13,822	8,225	3,322	2,059	88	128
4	13,491	8,246	2,921	2,096	95	133
1978 *1*	13,133	8,286	2,634	1,996	87	130
2	14,661	9,263	2,892	2,272	94	140
3	14,728	8,564	3,584	2,355	86	139
4	14,984	9,319	3,153	2,265	109	138
1979 *1*	14,163	8,532	2,877	2,518	101	135
Seasonally adjusted						
1976 *1*	10,009	5,654	2,179	1,933	130	113
2	10,758	6,160	2,396	1,991	98	113
3	11,549	6,509	2,577	2,232	119	112
4	12,275	7,088	2,742	2,199	128	118
1977 *1*	12,679	7,520	2,813	2,142	88	116
2	13,140	7,921	2,870	2,125	101	123
3	13,740	8,531	2,906	2,079	96	128
4	13,408	8,176	2,943	2,065	91	133
1978 *1*	13,638	8,408	2,964	2,048	88	130
2	14,186	8,753	2,967	2,236	90	140
3	14,804	9,051	3,154	2,369	91	139
4	14,878	9,220	3,178	2,235	107	138
1979 *1*	14,380	8,390	3,163	2,583	109	135

[1] On a balance of payments basis.

International transactions

TABLE 12 (*continued*)

United Kingdom debits

£ million

	Total[1]	Total debits[1]	Imports and property income paid abroad: Imports of goods[2]	Imports of services	Property income paid abroad	Foreign taxes paid by UK residents	Current transfers: From personal sector	From central government[1]	Balance: net investment and capital transfers abroad[3]
1973	23,252	24,219	14,498	4,480	1,910	2,574	398	359	−967
1974	31,136	34,686	21,773	5,657	2,271	4,211	454	320	−3,550
1975	34,381	36,168	22,699	6,368	2,571	3,660	503	367	−1,787
1976	44,591	45,663	29,012	7,843	3,063	4,452	509	784	−1,072
1977	52,967	52,596	33,892	8,584	4,074	4,321	614	1,111	371
1978	57,506	57,063	36,607	9,310	4,519	4,067	848	1,712	443
Unadjusted									
1976 *1*	9,906	10,012	6,277	1,580	738	1,048	146	223	−106
2	10,899	11,297	7,268	1,925	747	1,076	120	161	−398
3	11,446	11,777	7,338	2,253	720	1,165	117	184	−331
4	12,340	12,577	8,129	2,085	858	1,163	126	216	−237
1977 *1*	12,358	12,917	8,525	1,911	923	1,097	145	316	−559
2	13,296	13,605	8,843	2,085	1,146	1,125	135	271	−309
3	13,822	13,197	8,272	2,484	944	1,050	153	294	625
4	13,491	12,877	8,252	2,104	1,061	1,049	181	230	614
1978 *1*	13,133	13,747	8,950	2,028	1,018	951	228	572	−614
2	14,661	14,417	9,291	2,351	1,184	1,036	205	350	244
3	14,728	14,414	8,972	2,683	1,029	1,089	211	430	314
4	14,984	14,485	9,394	2,248	1,288	991	204	360	499
1979 *1*	14,163	15,033	9,737	2,158	1,211	1,138	220	569	−870
Seasonally adjusted									
1976 *1*	10,009	10,063	6,204	1,772	756	1,028	146	157	−54
2	10,758	11,063	7,109	1,913	689	1,067	120	165	−305
3	11,549	11,970	7,645	1,995	782	1,209	117	222	−421
4	12,275	12,567	8,054	2,163	836	1,148	126	240	−292
1977 *1*	12,679	13,080	8,466	2,132	978	1,115	145	244	−401
2	13,140	13,393	8,700	2,119	1,050	1,114	135	275	−253
3	13,740	13,227	8,534	2,164	1,022	1,045	153	309	513
4	13,408	12,896	8,192	2,169	1,024	1,047	181	283	512
1978 *1*	13,638	14,007	9,004	2,252	1,073	974	228	476	−369
2	14,186	13,978	8,926	2,368	1,078	1,026	205	375	208
3	14,804	14,650	9,418	2,355	1,123	1,079	211	464	154
4	14,878	14,428	9,259	2,335	1,245	988	204	397	450
1979 *1*	14,380	15,167	9,571	2,419	1,314	1,166	220	477	−787

[1] From the beginning of 1973 net of receipts from the EEC.
[2] On a balance of payments basis.
[3] Equal to the current balance in the balance of payments accounts.

International transactions

TABLE 12 (continued)

Exports and imports of goods and services revalued at 1975 prices

£ million

	Exports				Imports			
	Unadjusted		Seasonally adjusted		Unadjusted		Seasonally adjusted	
	Goods	Services	Goods	Services	Goods	Services	Goods	Services
1973	19,041	7,106	19,041	7,106	24,683	6,360	24,683	6,360
1974	20,288	7,512	20,288	7,512	24,899	6,460	24,899	6,460
1975	19,463	7,575	19,463	7,575	22,699	6,368	22,699	6,368
1976	21,357	8,131	21,357	8,131	23,970	6,271	23,970	6,271
1977	23,136	8,510	23,136	8,510	24,361	6,059	24,361	6,059
1978	23,912	8,468	23,912	8,468	25,589	6,304	25,589	6,304
1976 *1*	5,214	1,816	5,161	1,939	5,744	1,408	5,683	1,573
2	5,460	1,942	5,330	1,987	6,161	1,571	6,028	1,558
3	5,107	2,310	5,355	2,073	5,935	1,766	6,184	1,558
4	5,576	2,063	5,511	2,132	6,130	1,526	6,075	1,582
1977 *1*	5,679	1,871	5,638	2,117	6,218	1,370	6,182	1,529
2	5,852	2,064	5,725	2,116	6,384	1,476	6,279	1,495
3	5,847	2,433	6,065	2,123	5,905	1,737	6,091	1,509
4	5,758	2,142	5,708	2,154	5,854	1,476	5,809	1,526
1978 *1*	5,732	1,897	5,818	2,124	6,410	1,420	6,447	1,572
2	6,293	1,998	5,947	2,046	6,489	1,581	6,234	1,589
3	5,747	2,447	6,074	2,174	6,217	1,811	6,527	1,590
4	6,140	2,126	6,073	2,124	6,473	1,492	6,381	1,553
1979 *1*	5,458	1,889	5,369	2,067	6,541	1,410	6,428	1,579

Summary capital account

Receipts

TABLE 13

£ million

	Saving[1]					Capital transfers (net)				
	Total	Total	Personal sector	Companies	Public corporations	General government	Personal sector	Companies	Public corporations[2]	General government[2]	Residual error
1973	17,841	17,173	5,974	8,025	1,267	1,907	−380	271	153	−103	727
1974	20,790	19,520	8,589	8,305	1,400	1,226	−451	266	215	−105	1,345
1975	22,842	22,244	10,958	9,171	1,681	434	−354	388	280	−314	598
1976	29,515	28,487	12,485	13,167	2,864	−29	−28	229	368	−569	1,028
1977	32,685	31,628	13,345	13,934	3,280	1,069	127	107	452	−686	1,057
1978	35,306	34,066	16,249	15,005	3,593	−781	273	298	473	−1,044	1,240
Unadjusted											
1976 *1*	6,936	6,674	3,665	2,071	526	412	−42	35	123	−116	262
2	6,587	7,046	3,251	3,349	735	−289	−35	74	71	−110	−459
3	7,611	7,253	3,661	3,502	494	−404	− 6	69	71	−134	358
4	8,381	7,514	1,908	4,245	1,109	252	55	51	103	−209	867
1977 *1*	7,997	8,434	3,744	2,858	878	954	60	8	189	−257	−437
2	7,534	7,915	3,449	3,739	822	−95	9	60	91	−160	−381
3	8,172	7,779	3,269	3,827	440	243	32	30	82	−144	393
4	8,982	7,500	2,883	3,510	1,140	−33	26	9	90	−125	1,482
1978 *1*	7,672	7,523	3,832	2,246	817	628	63	175	158	−396	149
2	8,776	8,878	4,426	4,045	905	−498	60	52	81	−193	−102
3	9,033	8,821	4,313	4,557	605	−654	68	44	122	−234	212
4	9,825	8,844	3,678	4,157	1,266	−257	82	27	112	−221	981
1979 *1*	9,107	9,740	5,394	3,102	929	315	21	−22	130	−129	−633
Seasonally adjusted											
1976 *1*	6,890	6,443	3,241	2,696	633	−127	−41	65	87	−111	447
2	6,996	6,947	3,041	3,103	688	115	−20	62	93	−135	49
3	7,555	7,368	3,407	3,451	786	−276	− 9	48	84	−123	187
4	8,074	7,729	2,796	3,917	757	259	42	54	104	−200	345
1977 *1*	8,145	8,063	3,305	3,683	906	169	52	42	126	−220	82
2	7,830	7,972	3,197	3,567	741	467	32	47	128	−207	−142
3	8,367	7,707	2,946	3,414	825	522	32	7	104	−143	660
4	8,343	7,886	3,897	3,270	808	− 89	11	11	94	−116	457
1978 *1*	7,848	7,198	3,173	3,215	847	− 37	54	198	103	−355	650
2	8,978	8,854	4,219	3,792	866	− 23	87	46	109	−242	124
3	8,978	8,678	4,115	4,032	944	−413	66	26	145	−237	300
4	9,502	9,336	4,742	3,966	936	−308	66	28	116	−210	166
1979 *1*	9,125	9,227	4,578	4,054	984	−389	11	1	72	− 84	−102

[1] Before providing for depreciation, stock appreciation, and additions to reserves.
[2] Excluding financial transactions on the writing-off of debt.

Summary capital account

Payments

TABLE 13 (*continued*)

£ million

	Gross capital formation[1]						Balance: net investment abroad[2]	Net acquisition of financial assets[3]			
	Total	Total	Personal sector	Companies	Public corporations	General government		Personal sector	Companies	Public corporations	General government
1973	17,841	18,867	2,953	10,036	2,170	3,708	1,026	2,639	−1,740	−750	−1,904
1974	20,790	24,415	3,144	13,715	3,104	4,452	3,625	4,994	−5,144	−1,489	−3,331
1975	22,842	24,629	3,644	10,990	4,931	5,064	1,787	6,960	−1,431	−2,970	−4,944
1976	29,515	30,587	4,529	15,176	5,390	5,492	1,072	7,928	−1,780	−2,158	−6,090
1977	32,685	32,314	5,383	17,060	4,892	4,979	−371	8,089	−3,019	−1,160	−4,596
1978	35,306	34,863	6,649	18,409	5,135	4,670	−443	9,873	−3,106	−1,069	−6,495
Unadjusted											
1976 *1*	6,936	7,042	996	2,963	1,390	1,693	106	2,627	−857	−741	−1,397
2	6,587	6,985	1,112	3,343	1,320	1,210	398	2,104	80	−514	−1,609
3	7,611	7,942	1,146	4,150	1,345	1,301	331	2,509	−579	−780	−1,839
4	8,381	8,618	1,275	4,720	1,335	1,288	237	688	−424	−123	−1,245
1977 *1*	7,997	8,556	1,246	4,459	1,279	1,572	559	2,558	−1,593	−212	−875
2	7,534	7,843	1,392	4,292	1,137	1,022	309	2,066	−493	−224	−1,277
3	8,172	7,547	1,264	3,837	1,262	1,184	−625	2,037	20	−740	−1,085
4	8,982	8,368	1,481	4,472	1,214	1,201	−614	1,428	−953	16	−1,359
1978 *1*	7,672	8,286	1,449	4,237	1,166	1,434	614	2,446	−1,816	−191	−1,202
2	8,776	8,532	1,712	4,585	1,281	954	−244	2,774	−488	−295	−1,645
3	9,033	8,719	1,691	4,532	1,338	1,158	−314	2,690	69	−611	−2,046
4	9,825	9,326	1,797	5,055	1,350	1,124	−499	1,963	−871	28	−1,602
1979 *1*	9,107	9,977	1,556	5,562	1,286	1,573	870	3,859	−2,482	−227	−1,387
Seasonally adjusted											
1976 *1*	6,890	6,944	1,038	3,132	1,356	1,418	54	2,162	−371	−636	−1,656
2	6,996	7,301	1,060	3,471	1,369	1,401	305	1,961	−306	−588	−1,421
3	7,555	7,976	1,179	4,094	1,348	1,355	421	2,219	−595	−478	−1,754
4	8,074	8,366	1,252	4,479	1,317	1,318	292	1,586	−508	−456	−1,259
1977 *1*	8,145	8,546	1,283	4,636	1,298	1,329	401	2,074	−911	−266	−1,380
2	7,830	8,083	1,318	4,439	1,136	1,190	253	1,911	−825	−267	−930
3	8,367	7,854	1,320	4,012	1,277	1,245	−513	1,658	−591	−348	−866
4	8,343	7,831	1,462	3,973	1,181	1,215	−512	2,446	−692	−279	−1,420
1978 *1*	7,848	8,217	1,504	4,371	1,133	1,209	369	1,723	−958	−183	−1,601
2	8,978	8,770	1,607	4,708	1,317	1,138	−208	2,699	−870	−342	−1,403
3	8,978	8,824	1,805	4,477	1,324	1,218	−154	2,376	−419	−235	−1,868
4	9,502	9,052	1,733	4,853	1,361	1,105	−450	3,075	−859	−309	−1,623
1979 *1*	9,125	9,912	1,625	5,754	1,255	1,278	787	2,964	−1,699	−199	−1,751

[1] Gross fixed capital formation *plus* the increase in book value of stocks and work in progress.
[2] Equals, apart from the change in sign, the net acquisition of financial assets by the overseas sector.
[3] This balance is equal to saving *plus* capital transfers *less* gross capital formation.

Gross domestic fixed capital formation by sector and by type of asset

TABLE 14

£ million

	Total	Private sector[1]	General government[1,2]	Public corporations[1]	Vehicles, ships and aircraft	Plant and machinery	Dwellings		Other new building and works[3]
							Private	Public	
At current prices									
1973	14,149	8,415	3,661	2,073	1,655	4,852	1,628	1,020	4,994
1974	16,924	9,695	4,376	2,853	1,838	5,722	1,702	1,481	6,181
1975	20,536	11,514	4,974	4,048	2,017	6,817	2,196	1,964	7,542
1976	23,597	13,531	5,406	4,660	2,430	8,176	2,393	2,310	8,288
1977	25,808	16,315	4,844	4,649	3,023	9,766	2,475	2,324	8,220
1978	29,122	19,852	4,533	4,737	3,607	11,245	3,181	2,165	8,924
1976 *1*	5,878	2,858	1,675	1,345	585	2,021	597	635	2,040
2	5,433	3,238	1,167	1,028	584	1,798	570	519	1,962
3	5,987	3,638	1,269	1,080	613	2,032	614	556	2,172
4	6,299	3,797	1,295	1,207	648	2,325	612	600	2,114
1977 *1*	6,135	3,337	1,547	1,251	689	2,342	477	646	1,981
2	6,088	4,045	998	1,045	753	2,195	594	523	2,023
3	6,433	4,164	1,127	1,142	747	2,465	662	561	1,998
4	7,152	4,769	1,172	1,211	834	2,764	742	594	2,218
1978 *1*	7,240	4,590	1,404	1,246	955	2,705	774	593	2,213
2	6,906	4,884	927	1,095	884	2,637	794	463	2,128
3	7,205	4,927	1,111	1,167	887	2,792	760	570	2,196
4	7,771	5,451	1,091	1,229	881	3,111	853	539	2,387
1979 *1*	7,641	4,771	1,544	1,326	960	2,968	643	600	2,470
Revalued at 1975 prices									
1973	21,609	12,519	5,928	3,162	2,415	6,768	2,491	1,790	8,145
1974	21,173	11,979	5,577	3,617	2,324	7,056	2,041	1,937	7,815
1975	20,536	11,514	4,974	4,048	2,017	6,817	2,196	1,964	7,542
1976	20,395	11,752	4,696	3,947	2,043	6,840	2,112	2,040	7,360
1977	19,961	12,571	3,839	3,551	2,091	7,145	1,992	1,849	6,884
1978	20,456	13,737	3,404	3,315	2,071	7,496	2,283	1,621	6,985
Unadjusted									
1976 *1*	5,293	2,597	1,506	1,190	519	1,801	545	581	1,847
2	4,787	2,871	1,029	887	504	1,533	510	468	1,772
3	5,133	3,144	1,088	901	510	1,679	535	489	1,920
4	5,182	3,140	1,073	969	510	1,827	522	502	1,821
1977 *1*	4,913	2,667	1,264	982	522	1,777	401	529	1,684
2	4,794	3,189	796	809	543	1,622	489	420	1,720
3	4,909	3,175	874	860	502	1,782	527	439	1,659
4	5,345	3,540	905	900	524	1,964	575	461	1,821
1978 *1*	5,266	3,278	1,085	903	566	1,858	585	458	1,799
2	4,931	3,453	702	776	514	1,772	584	353	1,708
3	5,011	3,374	828	809	500	1,846	537	425	1,703
4	5,248	3,632	789	827	491	2,020	577	385	1,775
1979 *1*	5,023	3,088	1,071	864	526	1,882	422	414	1,779
Seasonally adjusted									
1976 *1*	5,156	2,819	1,260	1,077	506	1,693	566	534	1,857
2	5,107[4]	2,919[4]	1,199	989	522	1,672	510	509	1,894[4]
3	5,177[4]	3,103[4]	1,137	937	539	1,726	544	501	1,867[4]
4	4,955	2,911	1,100	944	476	1,749	492	496	1,742
1977 *1*	4,821	2,870	1,067	884	518	1,715	421	487	1,680
2	5,010[4]	3,196[4]	932	882	550	1,747	492	457	1,764[4]
3	5,057	3,222	923	912	546	1,825	535	454	1,697
4	5,073	3,283	917	873	477	1,858	544	451	1,743
1978 *1*	5,152	3,429	912	811	559	1,810	613	420	1,750
2	5,147	3,452	842	853	527	1,894	586	384	1,756
3	5,132	3,425	874	833	518	1,899	542	443	1,730
4	5,025	3,431	776	818	467	1,893	542	374	1,749
1979 *1*	4,927	3,279	867	781	519	1,844	446	377	1,741

[1] Including purchases *less* sales of land and existing buildings.
[2] Formerly called public authorities.
[3] Including transfer costs of land and buildings.
[4] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter 1977.

Gross domestic fixed capital formation by industry group

TABLE 15

£ million

	Total	Petroleum and natural gas	Other mining and quarrying	Manufacturing[1]	Gas, electricity and water	Transport and communication	Distributive trades[1]	Other industries[2]	Dwellings	Public services	Transfer costs of land and buildings
At current prices											
1973	14,149	183	105	2,347	771	1,884	811	2,490	2,648	2,345	565
1974	16,924	608	139	3,067	952	1,993	976	2,988	3,183	2,523	495
1975	20,536	1,334	201	3,522	1,242	2,338	1,035	3,092	4,160	2,987	625
1976	23,597	2,092	297	3,958	1,400	2,363	1,156	3,566	4,703	3,362	700
1977	25,808	2,135	409	4,862	1,317	2,621	1,489	4,372	4,799	3,014	790
1978	29,122	2,218	559	5,794	1,436	2,580	1,703	5,341	5,346	3,124	1,021
1976 *1*	5,878	290	81	918	416	642	265	835	1,232	1,047	152
2	5,433	547	66	893	291	513	292	830	1,089	742	170
3	5,987	699	77	997	338	564	281	876	1,170	793	192
4	6,299	556	73	1,150	355	644	318	1,025	1,212	780	186
1977 *1*	6,135	304	108	1,107	392	644	328	1,010	1,123	958	161
2	6,088	732	84	1,101	274	624	349	1,008	1,117	615	184
3	6,433	523	106	1,233	331	618	386	1,081	1,223	716	216
4	7,152	576	111	1,421	320	735	426	1,273	1,336	725	229
1978 *1*	7,240	456	158	1,322	362	721	408	1,275	1,367	944	227
2	6,906	656	113	1,347	320	637	421	1,264	1,257	644	247
3	7,205	547	138	1,455	371	641	413	1,297	1,330	745	268
4	7,771	559	150	1,670	383	581	461	1,505	1,392	791	279
1979 *1*	7,641	461	179	1,471	448	608	464	1,436	1,243	1,072	259
Revalued at 1975 prices											
1973	21,609	303	150	3,504	1,199	2,692	1,187	3,836	4,281	3,819	638
1974	21,173	742	174	3,822	1,217	2,455	1,216	3,733	3,978	3,319	517
1975	20,536	1,334	201	3,522	1,242	2,338	1,035	3,092	4,160	2,987	625
1976	20,395	1,862	252	3,345	1,189	1,984	1,003	3,112	4,152	2,863	633
1977	19,961	1,754	306	3,573	1,010	1,939	1,120	3,384	3,841	2,373	661
1978	20,456	1,682	378	3,855	1,014	1,642	1,157	3,758	3,904	2,339	727
Unadjusted											
1976 *1*	5,293	268	72	828	371	561	240	761	1,126	923	143
2	4,787	500	58	769	250	439	258	740	978	637	158
3	5,133	623	65	831	283	470	242	760	1,024	667	168
4	5,182	471	57	917	285	514	263	851	1,024	636	164
1977 *1*	4,913	253	84	852	309	499	259	810	930	777	140
2	4,794	618	64	820	213	473	267	786	909	484	160
3	4,909	422	79	895	250	450	288	829	966	552	178
4	5,345	461	79	1,006	238	517	306	959	1,036	560	183
1978 *1*	5,266	356	110	910	263	471	283	920	1,043	734	176
2	4,931	511	77	902	232	407	287	903	937	488	187
3	5,011	408	93	964	261	396	281	909	962	551	186
4	5,248	407	98	1,079	258	368	306	1,026	962	566	178
1979 *1*	5,023	329	114	922	295	374	297	950	836	743	163
Seasonally adjusted											
1976 *1*	5,156	376	60	812	325	547	246	751	1,100	782	157
2	5,107[3]	522[3]	67	828	287	478	265	758	1,019	725	158
3	5,177[3]	547[3]	67	849	289	499	247	789	1,045	686	159
4	4,955	417	58	856	288	460	245	814	988	670	159
1977 *1*	4,821	345	71	851	273	487	266	807	908	659	154
2	5,010[3]	563[3]	73	880	244	498	276	815	949	552	160
3	5,057	433	80	910	255	496	294	856	989	575	169
4	5,073	413	82	932	238	458	284	906	995	587	178
1978 *1*	5,152	400	90	923	232	445	291	933	1,033	613	192
2	5,147	450	89	963	266	430	301	934	970	558	186
3	5,132	423	97	982	260	415	283	937	985	574	176
4	5,025	409	102	987	256	352	282	954	916	594	173
1979 *1*	4,927	374	92	946	263	350	303	971	823	626	179

[1] Further details are given in the *Monthly Digest of Statistics*.

[2] Covers agriculture, forestry, fishing, construction and other service industries.

[3] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £150 million in 2nd Quarter 1976, £125 million in 3rd Quarter 1976 and £225 million in 2nd Quarter 1977.

Value of physical increase in stocks and work in progress

TABLE 16

£ million, unadjusted

	At current prices					Revalued at 1975 prices				
			Distributive trades					Distributive trades		
	All industries	Manufacturing	Retail	Wholesale	Other industries	All industries	Manufacturing	Retail	Wholesale	Other industries
Book values end-December										
1977	48,622	28,771	4,417	6,427	9,007	34,469	19,995	3,181	4,541	6,752
1973	1,724	790	254	312	368	2,983	1,309	624	432	618
1974	1,290	1,106	−147	323	8	1,459	1,287	−180	361	−9
1975	−1,623	−1,221	−100	−247	−55	−1,623	−1,221	100	−247	−55
1976	361	426	24	182	−271	245	316	13	131	−215
1977	1,318	629	33	369	287	949	442	29	266	212
1978	1,413	841	485	−28	115	1,034	596	333	5	100
1976 *1*	−309	27	−33	−17	−286	−263	29	−30	−13	−249
2	−13	−28	−104	−33	152	−9	−28	−93	−23	135
3	287	16	66	194	11	214	−1	57	153	5
4	396	411	95	38	−148	303	316	79	14	−106
1977 *1*	323	360	96	30	−163	249	277	76	26	−130
2	452	130	−32	207	147	346	102	−24	157	111
3	−33	−178	−56	17	184	−28	−120	−41	−2	135
4	576	317	25	115	119	382	183	18	85	96
1978 *1*	212	98	39	24	51	202	91	28	24	59
2	454	384	135	−128	63	343	273	94	−79	55
3	495	59	102	172	162	328	38	70	118	102
4	252	300	209	−96	−161	161	194	141	−58	−116
1979 *1*	370	205	74	52	39	291	139	49	44	59

£ million, seasonally adjusted

	Revalued at 1975 prices							
		Manufacturing				Distributive trades		
	All industries	Total	Materials and fuel	Work in progress	Finished goods	Retail	Wholesale	Other industries
1973	2,983	1,309	829	534	−53	624	432	618
1974	1,459	1,287	658	52	577	−180	361	−9
1975	−1,623	−1,221	−925	−272	−24	−100	−247	−55
1976	245	316	−64	221	159	13	131	−215
1977	949	442	−16	195	264	29	266	212
1978	1,034	596	−12	446	161	333	5	100
1976 *1*	−102	−13	−88	42	34	7	43	−139
2	−77	−29	−47	38	−20	−67	−9	28
3	160	99	48	37	14	46	81	−66
4	264	259	23	104	131	27	16	−38
1977 *1*	402	234	92	123	21	117	82	−31
2	289	97	−38	−69	204	4	180	8
3	−73	−5	−23	−33	50	−59	−80	71
4	331	116	−47	174	−11	−33	84	164
1978 *1*	323	38	−26	17	48	62	81	142
2	295	272	−15	128	158	128	−62	−43
3	304	175	20	102	52	54	45	30
4	112	111	9	199	−97	89	−59	−29
1979 *1*	378	83	−1	27	56	87	100	108

[1] Further details are given in the *Monthly Digest of Statistics*.
[2] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

Research and development: expenditure and employment

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Introduction

Research and experimental development (R & D) in the United Kingdom is financed and carried out mainly by the Government, industry, universities and further education institutions, and various non-profit-making bodies. In 1975 over £2,000 million was spent on R & D. Full-scale inquiries covering industrial R & D are at present held every third year, but there is an annual survey of central government expenditure and employment on R & D. In the last decade, surveys of industrial R & D have been taken in respect of 1969, 1972, 1975 and 1978, and comparable figures are available for certain earlier years[1,2]*. The purpose of this article is to present the full results which are now available for 1975 and government figures for years up to 1977/78.

* References are to the bibliography on page 103.

Trends in R & D expenditure

In line with international recommendations, research and experimental development is defined for statistical purposes as 'creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications'.

The actual amounts spent on total R & D in this country, in the years between 1964 and 1975 in which industrial R & D has been surveyed, are given in section *a* of Table A, and annual figures of government spending on R & D are given in the first section of Table B. Over this period actual expenditure on R & D in total has almost trebled, but in volume terms the 1975 level is slightly lower than the 1964 level.

Expenditure and employment on research and development in the United Kingdom[1]

TABLE A

	1964	1966	1967	1968	1969	1972	1975
***a* Expenditure at current prices**							
	£ million current prices						
i Analysis by performer:							
By government	212	229	238	249	263	337	566
By universities[2] and further education establishments	47	55	62	72	80	115	179
By industry	489	580	605	639	680	831	1,340
By other sectors	20	24	24	26	22	30	66
Total	768	888	929	986	1,045	1,313	2,151
ii Analysis by funder[3]:							
By government	412	436	453	479	529	640	1,117
By industry	316	393	409	443	449	571	877
By other sectors[4]	40	59	67	64	67	102	157
Total	768	888	929	986	1,045	1,313	2,151
***b* Expenditure at constant prices[5]**							
	£ million 1975 prices						
Government performed	608	594	598	588	584	575	566
Industry performed	1,400	1,504	1,514	1,506	1,513	1,418	1,340
Total[6]	2,200	2,302	2,327	2,325	2,325	2,242	2,151
	Percentages						
***c* Total expenditure as a proportion of GDP at market prices**	2·32	2·34	2·32	2·28	2·25	2·08	2·09
	Thousands						
***d* Employment on R & D (end year)**							
Central government	..	..	..	..	..	75·6	77·4
Industry	..	..	219·0	216·2	212·0	183·4	180·6

[1] Excluding research in the social sciences and humanities; excluding work performed abroad. Figures relate to calendar years or corresponding financial or academic years.
[2] Only very tentative estimates are available for this sector.
[3] As returned by performing sectors.
[4] Including overseas sector.
[5] Current price data revalued by the UK price index of industrial R & D (see text).
[6] Including R & D performed by other sectors.

Research and development performed and financed by central government[1]

TABLE B

	Financial years beginning April												
	1964	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977[2]
a **Expenditure at current prices**	£ million current prices												
Gross expenditure[3]:													
Intra-mural[4]	213	229	239	250	264	279	320	340	368	454	574	639	697
Extra-mural	280	293	293	315	337	366	427	524	548	666	845	967	1,058
Total	493	522	532	565	601	645	747	864	916	1,120	1,419	1,606	1,755
Net expenditure:													
Defence	284	261	242	237	239	259	304	354	406	499	664	755	861
Research Councils[5]	180	57	67	75	86	97	113	124	122	140	168	196	207
Other civil		168	194	219	237	250	282	299	343	435	550	564	579
Total	464	486	503	531	562	606	699	777	871	1,074	1,382	1,515	1,647
b **Expenditure at constant prices[6]**	£ million 1975 prices												
Intra-mural[4]	610	594	599	590	587	578	593	577	560	580	574	549	537
Total net expenditure	1,330	1,260	1,260	1,252	1,250	1,255	1,294	1,319	1,326	1,372	1,382	1,302	1,269
c **Expenditure as a proportion of GDP at market prices**	Percentages												
Defence	0·86	0·69	0·60	0·55	0·51	0·51	0·53	0·56	0·56	0·61	0·64	0·62	0·61
Civil	0·54	0·59	0·65	0·68	0·70	0·68	0·69	0·67	0·64	0·70	0·70	0·62	0·56
Total net expenditure	1·40	1·28	1·25	1·23	1·21	1·19	1·22	1·23	1·20	1·31	1·34	1·24	1·17
d **Employment on R & D (end calendar year)**	Thousands												
Total	..	..	..	..	..	..	79·0	76·3	75·5	77·4	78·3	73·0	70·5

[1] As returned by government. Including research in the social sciences and humanities; including work performed abroad.
[2] Provisional.
[3] R & D financed by central government, as returned by government (includes receipts used directly to finance expenditure, which are not in the figures of net expenditure).
[4] R & D carried out by central government.
[5] The figures reflect the transfer of part of the funds provided by government for research councils to departments in 1973/74 to 1975/6.
[6] Current price data revalued by the SOEC index for the years 1970 to 1977 and the UK industrial R & D price index for the years 1964 to 1969 (see text).

Table A and most of the tables in the Appendix cover R & D in the natural and medical sciences and engineering, and exclude research in the social sciences and humanities. Table B and the tables for central government in the Appendix also cover research in the social sciences, including economic research. Definitions of the categories of research presented in the tables and of the sectors surveyed, and notes on the survey procedures employed, are given in *Research and Development: Expenditure and Employment.*[2]

The trend in the 'volume' of R & D performed in this period of sharply rising prices can be shown by means of estimates of expenditure at constant prices, using the most appropriate price indices which can be prepared to revalue the current price figures. Work on constructing price indices specifically for R & D expenditure has been undertaken by the Department of Industry and by international organisations only in recent years. The method of constructing the price indices used in this country for deflating industrial R & D expenditure is briefly described in an article in *Trade and Industry*[9]. Similar methods have been used recently by the OECD (for producing figures of member countries' expenditure on industrial R & D at constant prices) and by the Statistical Office of the European Communities (SOEC) (for producing constant price figures of member governments' financing of R & D). In all three exercises, separate deflators were used for the following types of expenditure: labour costs, other current costs, expenditure on land and buildings, and investment in plant and machinery. Constant price estimates are shown in section *b* of Tables A and B.

Section *c* of Tables A and B shows R & D expenditure as a percentage of gross domestic product (GDP) at market prices. Changes in these ratios, however, reflect changes in GDP and relative price movements in R & D, as compared with prices in general, as well as changes in the volume of R & D. The work on R & D price indices has shown that in recent years the cost of R & D, which is relatively highly labour-intensive, has tended to rise faster than the general price index.

A further indicator of the change over time in the 'volume' of R & D performed in the country is the movement in the numbers employed on R & D work. Unfortunately, it is

difficult – if not impossible – to estimate the numbers employed on R & D in some sectors of the economy; in particular, research work in universities is to a large extent carried out alongside teaching, and estimates for recent years are primarily based on a survey of time spent on the major activities of university staff, taken in 1969/70. Employment figures have however been collected for the government and industrial sectors but are only available from 1971 and 1967 respectively; these figures are shown in section *d* of Tables A and B.

It can be seen from Table A that the volume of total R & D expenditure in the United Kingdom peaked in the late 1960s; expenditure in 1972 was less than in 1966 and had fallen back further by 1975. The drop in the early 1970s in R & D carried out by industry was sharper than the fall in government-performed research; by 1975 the volume of both industry-performed and government-performed R & D was lower than in 1964. Total R & D expenditure, as a percentage of GDP, also peaked in the late 1960s and fell back in the early 1970s. The percentage for 1975, however, was much the same as in 1972, reflecting the lack of growth in GDP and the fact that R & D prices rose faster than the general price level. The figures of persons employed on industrial R & D show a fall between 1967, the first year for which they are available, and 1975, the fall being greatest between 1969 and 1972.

The figures of total central government expenditure on R & D at constant prices in Table B show a rising trend between 1970 and 1975, but a sharp fall thereafter. The rise between 1970 and 1975 was mainly due to an increase in the amount of R & D performed by other sectors which was financed by government; R & D performed by government itself changed little in volume terms. Table B shows that expenditure on defence R & D, expressed as a percentage of GDP, fell sharply between 1964 and 1969, rising to a lesser extent subsequently. Government-financed civil R & D expenditure showed a rising trend between 1964 and 1974, and a marked fall between 1975 and 1977.

The summary tables (all sectors)

Tables 1 to 3 of the Appendix cover total R & D in the natural and medical sciences and engineering financed and carried out in the United Kingdom in 1975 or in the corresponding financial or academic year. They are basically in the same form as Tables 1 to 3 in *Research and Development: Expenditure and Employment*[3]. As in that publication, the totals are the amounts of R & D *performed* in the country, except that the present Table 1 also shows the identified amount of R & D performed overseas which is financed by the United Kingdom. (The amount financed by industry is not known.) The estimated amount of R & D *financed* by the United Kingdom can be obtained by adding to the amount performed in the United Kingdom the identified payments for R & D performed abroad and by deducting the amount of UK research funded by the overseas sector; this gives a figure of £2,160 million for 1975. No surveys of R & D performed by local authorities have been carried out for 1975 and 1978; estimates of local authorities' expenditure in 1975 have however been included in the all-sector figures.

Table 1 shows a two-way analysis of R & D performed in each sector according to funding sector. The rows show how each sector's funds were distributed among performing sectors; the columns show the total amount performed by each sector and how much of the financing of that work came from each sector. Where information about expenditure is available both from the sector carrying out the work and the sector providing the finance, the information from the former has been used for Table 1. For this reason, it should be borne in mind that the figures in the total column of Table 1 do not represent the total amount of R & D financed by each sector *as reported by the funding sector*. However, in the detailed tables for central government and industry, which follow, the total amounts of expenditure shown do relate to the amounts recorded as being spent on R & D by these two sectors in their role as funders.

Table 2 shows an analysis of the recorded amounts spent by each sector on R & D (the column totals of Table 1) analysed by type of expenditure.

Table 3 analyses the amounts of current expenditure on R & D in each sector, as shown in Table 2, by type of work: basic research, applied research and experimental development.

The central government tables

Central government expenditure on R & D, including that of research councils, is surveyed annually and covers R & D in the social sciences as well as R & D in the natural sciences. The distinction between social science and other R & D has been retained in the accompanying tables, though it has been found difficult to make in practice. The borderline between research and other related activities, such as information services and general purpose data collection, is also difficult to define, especially for the social sciences. (See *The Measurement of Scientific and Technical Activities*[11], chapter II and Annex I.) The figures for social science research are therefore considered to be less reliable than those for government R & D as a whole.

The central government tables are generally in the same form as those published in *Research and Development: Expenditure and Employment*. The present tables give 'final' data for the financial years 1974/5 to 1976/7 and provisional figures for 1977/8 in less detail. The United Kingdom functional analysis used in the previous publication and based on the programmes in the Public Expenditure Survey has been retained, but a new group covering energy research as a whole replaces the former atomic energy group.

Table 4 is in three parts, covering the years 1974/5, 1975/6 and 1976/7 respectively. The table shows the gross expenditure of government on R & D: 'gross' in that any receipts used to finance the expenditure are not deducted. Money spent on R & D work done by government itself (intra-mural expenditure) is distinguished from money passed to other sectors to fund R & D work (extra-mural expenditure). Intra-mural expenditure is analysed by type of expenditure and extra-mural expenditure is broken down by performing sector.

Table 5 covers the same three years and breaks down government current intra-mural expenditure on R & D in the natural sciences by type of work.

Tables 6 and 7 relate to net government expenditure on R & D (budgeted expenditure), that is gross expenditure

less receipts allocated directly towards financing the expenditure. These tables cover the period 1973/4 to 1977/8; the figures for the latter year are provisional. Table 6 shows natural and social science R & D separately, each being analysed by functional groups of expenditure whilst Table 7 shows total expenditure broken down according to the SOEC objectives classification of budgeted expenditure[12].

Tables 8 and 9 present information about the five research councils for the years 1974/5 to 1979/80. Table 8 shows the current and capital expenditure, including expenditure on postgraduate awards, of each of the research councils. Table 9 gives particulars of expenditure by individual research councils in support of research at universities, including studentships, fellowships and bursaries paid to students for their personal maintenance.

Table 10 gives details of government manpower employed on R & D work. Figures are full-time equivalents on 1 January and cover the years 1975 to 1977 (final data) and 1978 (provisional). The data are analysed by type of occupation and by functional groups of the work done.

The industry tables

Tables 11 to 15 give details primarily of the 1975 survey of industrial R & D. Tables 16 and 17 show the trend in industrial R & D expenditure in the period 1964 to 1975 at current and at constant prices.

Provisional results of the 1975 industrial survey were published in *Trade and Industry* in 1977[7,8]. Some of the figures were subsequently revised; the amended data have been used in the tables accompanying this article. Some revisions have also been made to the results of the 1972 survey following their publication in *Research and Development: Expenditure and Employment;* these revisions too have been incorporated in Tables 11 and 12. Figures of industrial R & D expenditure and employment in 1978 are now being collected and some provisional results should be available next year.

Tables 11 to 15 are in the same format as the industry tables in *Research and Development: Expenditure and Employment.* Both expenditure and employment figures are analysed by product groups and in most tables there is a cross-analysis by sub-sectors (private industry; public corporations; industrial research associations). The 1975 industrial survey covered R & D in the calendar year 1975 or in firms' business years ending between 5 April 1975 and 5 April 1976. General notes on the 1975 survey are given in the article in *Trade and Industry,* 24 June 1977[7].

Table 11 shows for the survey years 1972 and 1975 the amount of R & D carried out by industry as a whole and by each of the sub-sectors and the amount carried out by other sectors which was financed by industry. The intra-mural total figures include work carried out by industry which has been financed by other sectors, principally government.

Table 12 shows the sources of finance for research performed by or on behalf of the industrial sector in 1972 and 1975, distinguishing between funds from private industry (including research associations and overseas sources), public corporations, and government.

Tables 13 and 14 analyse industry's current intra-mural expenditure on R & D in 1975 by sub-sector and by type of expenditure (Table 13) and by type of work (Table 14).

Table 15 gives numbers employed on industrial R & D at 31 December 1975, estimated as the number of persons spending more than half of the working week on R & D activities. The figures are analysed by sub-sector, type of occupation and product group of the work done. The table contains some revisions to the figures which were published in an article in *Trade and Industry,* 1 July 1977[8].

Earlier reference has been made in the article to the work carried out by the Department of Industry in producing estimates of industrial expenditure on R & D at constant prices; Tables 16 and 17 summarise the results of this work. Both tables show figures for each of the industrial survey years from 1964 to 1975. Table 16 gives total industrial intra-mural expenditure on R & D at current and constant prices for this period and the implied overall price deflator that emerges from the two sets of estimates. Table 17 gives estimates of intra-mural expenditure on R & D by manufacturing industry at constant prices, analysed by major product group. An article giving broad details of the method used in producing these figures, together with comparisons of R & D expenditure and employment with other major industrial countries, was published in *Trade and Industry* on 6 April 1979.

Overseas technological royalty transactions

Overseas transactions relating to royalties, licences, patents, manufacturing rights and similar arrangements are surveyed by the Department of Trade annually. Tables 18 to 20 cover transactions in each year from 1974 to 1977. The tables are similar to those in *Research and Development: Expenditure and Employment,* which covered 1971 to 1974. The area analysis in Table 19 however differs from that in the previous publication in that a split between sterling and non-sterling countries is no longer shown. Further details of the transactions are given in *Business Monitor M4: Overseas transactions.*

Further sources and contacts

Further publications giving statistics or general information on R & D are listed in the bibliography below. Enquiries about the statistics in this article should be made to:

General statistics and government R & D: Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01–233 8357 or 233 6135.

Industrial R & D: Department of Industry (EcS6B), Abell House, John Islip Street, London SW1P 4LN. Telephone 01–211 5156 or 211 7152.

Higher Education, research councils: Department of Education and Science (Statistics Branch), Elizabeth House, York Road, London SE1 7PH. Telephone 01–928 9222 ext. 2359.

SELECT BIBLIOGRAPHY

References

a General United Kingdom research and development Statistics

1. **Research and Development Expenditure** (Studies in Official Statistics No. 21) 1973 (HMSO £1.55 net).
   A summary of UK statistics of R & D in the 1960s. Full notes, commentary and a list of publications giving earlier statistics of R & D.

2. **Research and Development: Expenditure and Employment** (Studies in Official Statistics No. 27) 1976 (HMSO £2.00 net).

An update of the above publication, giving full data for 1972–3. Notes and commentary.

3. **Annual Abstract of Statistics No. 115 1979 Edition** (HMSO £8.50 net).

Contains tables showing all-sector data for the latest five full survey years and summary figures of the latest industrial surveys of R & D.

b Government research and development

4. **Government research and development: A guide to sources of information** 1979 edition (HMSO £1·00 net).

Lists annual reports and other publications of government departments, research establishments, etc. giving descriptive information and statistical data.

5. **Review of the Framework for Government Research and Development (Cmnd 5046)** Cmnd 7499, March 1979 (HMSO £1·25 net).

Reviews the general basis for the conduct of government-financed R & D, following major changes in organisation announced in July 1972.

6. **Supply Estimates 1979-80: Memorandum by the Chief Secretary to the Treasury** (Cmnd 7524). April 1979 (HMSO £1.50 net).

Table 7 shows the R & D content of the Government's 1979–80 Supply Estimates, analysed by the programme classification of government expenditure, and also by spending department.

c Industrial research and development

7. 'Industrial expenditure and employment on scientific research and development in 1975' **Trade and Industry** 24 June 1977.

8. 'Employment on scientific research and development in industry in 1975' **Trade and Industry** 1 July 1977.

9. 'Industrial research and development in 1975: analysis by enterprise size and results for overseas controlled enterprises; Expenditure at constant prices and employment – some international comparisons' **Trade and Industry** 6 April 1979.

Articles giving results of the 1975 survey of industrial R & D. It is hoped that the data in these articles, incorporating subsequent revisions, and further analyses will be published in a **Business Monitor MO 14 Industrial Research and Development Expenditure and Employment** later this year.

d Overseas technological royalty transactions.

10. **Business Monitor M4: Overseas Transactions** Annually. Department of Industry (on subscription).

Gives further details of the transactions summarized in Tables 18 to 20 of this article.

e Definitions of research and development

11. **The Measurement of Scientific and Technical Activities; proposed Standard Practice for Surveys of Research and Experimental Development** 1976, OECD, (Paris £2.70).

Gives the basic definitions of R & D and the classifications of R & D data.

12. **Nomenclature for the analysis and comparison of Science programmes and budgets: 1975 version** SOEC, Luxembourg.

The classification of government spending on R & D by objectives, as used by the European Communities.

f International comparisons

13. **Government financing of research and development 1970–1977.** 1978 SOEC, Luxembourg £4·70.

An annual report on trends in the countries of the Community.

14. **International Survey of the Resources devoted to R & D by OECD Member Countries, International Statistical Year 1975: International volume, statistical tables and notes** March 1979 (obtainable from OECD Directorate for Science, Technology and Industry, 2 rue André-Pascal, 75775 Paris Cedex 16).

A summary of the latest biennial survey of OECD member countries' expenditure on R & D and manpower.

15. **UNESCO Statistical Yearbook 1977** 1978 UNESCO, Paris.

A section on science and technology contains data of manpower and expenditure on R & D.

APPENDIX

Research and development performed in each sector according to source of finance[1]—1975

TABLE 1

£ million

	Sector carrying out the work							
	Government	Universities and further education establishments[2]	Public corporations	Research associations	Private industry	Other	Total performed in the United Kingdom	Research carried out abroad
Sector providing the funds								
Government	507·4[3]	143·4[4]	2·6	8·9	402·6	52·5[5]	1,117·4	114·9
Universities	0·1	15·4	—	—	—	—	15·5	—
Public corporations	1·6	1·7	116·1	0·9	16·5	0·3[5]	137·1	..
Research associations	0·2	0·2	—	0·2	0·6	—	1·2	..
Private industry	24·3	4·8	0·2	18·2	688·7	2·1[5]	738·3	..
Overseas	17·5	3·9	5·1	2·9	76·7	1·7	107·8	..
Other	15·2	9·8	..[6]	..[6]	..[6]	9·0	34·0	1·3
Total cost of research and development performed	566·3	179·2	124·0	31·1	1,185·1	65·6	2,151·3	..

Source: Central Statistical Office

[1] Except where stated, figures are based on returns from the sectors carrying out the work. Research in the social sciences is excluded.
[2] Academic year 1974/75.
[3] Including an estimated £2·0 million spent by local authorities in 1975.
[4] Including £7·4 million financed by local government in 1975.
[5] Figure based on returns from sector providing the funds.
[6] Included in the 'own funds' figure for the sector.

Current and capital expenditure on research and development[1] — 1975

TABLE 2

£ million

	Current				Capital			Total current and capital
	Salaries and wages	Materials and equipment	Other expenditure	Total	Land and buildings	Plant and equipment	Total	
Sector carrying out the work								
Government:								
Defence	158·2	60·9	10·4	229·5	9·1	13·7	22·8	252·3
Civil								
Research councils	56·7	25·9	11·5	94·1	5·9	8·2	14·1	108·2
Other central government	113·9	38·8	29·8	182·5	7·1	14·1	21·2	203·7
Local authorities[2]	1·3	0·5	0·1	1·9	0·1	0·1	0·2	2·1
Total government	330·1	126·1	51·8	508·0	22·2	36·1	58·3	566·3
Universities and further education establishments	98·8	12·3	56·6	167·7	3·8	7·7	11·5	179·2
Public corporations	65·3	23·4	19·5	108·2	5·9	9·9	15·8	124·0
Research associations	17·5	3·3	7·6	28·4	1·0	1·7	2·7	31·1
Private industry	591·9	237·1	274·0	1,103·0	18·0	64·1	82·1	1,185·1
Non-profit-making organisations	13·9	2·9	2·9	19·7	1·8	0·6	2·4	22·1
Total (excluding other organisations)	1,117·5	405·1	412·4	1,935·0	52·7	120·1	172·8	2,107·8
Other organisations	..	..	..	..	..	..	..	43·5
Total	..	..	..	..	..	..	..	2,151·3

Source: Central Statistical Office

[1] Research in the social sciences is excluded.
[2] Estimated.

Current expenditure on research and development by type of work[1] – 1975

TABLE 3

	£ million				
	Basic research	Applied research	Development	Unallocated	Total
Government					
Defence	18·7	69·7	141·1	—	229·5
Civil					
Research councils	71·0	23·1	—	—	94·1
Other central government	16·0	67·4	95·5	3·6	182·5
Local authorities[2]	0·1	0·9	0·9	—	1·9
Total civil	87·1	91·4	96·4	3·6	278·5
Total government	105·8	161·1	237·5	3·6	508·0
Non-government					
Universities	—	—	—	157·2	157·2
Further education establishments	2·4	6·0	2·1	—	10·5
Public corporations	0·9	58·1	49·2	—	108·2
Research associations	2·3	17·2	8·9	—	28·4
Private industry	38·2	239·7	825·1	—	1,103·0
Total (excluding non-profit making and other organisations)	43·8	321·0	885·3	157·2	1,407·3
Non-profit making organisations	5·4	11·5	2·8	—	19·7
Total non-government[3]	49·2	332·5	888·1	157·2	1,427·0
Total[3]	155·0	493·6	1,125·6	160·8	1,935·0

Source: Central Statistical Office

[1] Research in the social sciences is excluded.
[2] Estimated.
[3] Excluding other organisations.

Gross central government expenditure on research and development – 1974-75

TABLE 4

	£ million										
	Intra-mural					Extra-mural					
	Current					Universities and further education establishments	Private industry and public corporations	Other	Overseas	Total extra-mural	Total intra and extra-mural
	Salaries and wages	Other	Total	Capital	Total intra-mural						
R & D in the natural sciences											
Defence	124·1	58·2	182·3	20·0	202·3	2·3	334·4	—	30·7	367·4	569·7
Civil											
Overseas services	1·3	0·3	1·6	0·3	1·9	0·4	—	0·8	3·3	4·5	6·4
Agriculture, fisheries and forestry	10·8	2·7	13·5	2·5	16·0	0·1	0·9	8·4	—	9·4	25·4
Industry, trade and employment											
Aerospace	0·4	—	0·4	3·2	3·6	—	49·1	—	15·3	64·4	68·0
Energy	41·2	33·8	75·0	10·7	85·7	0·4	7·7	0·8	2·2	11·1	96·8
Other industry, trade and employment	10·0	3·2	13·2	2·6	15·8	0·4	17·9	—	0·1	18·4	34·2
Environmental services	9·2	3·2	12·4	0·9	13·3	0·9	6·6	0·6	0·1	8·2	21·5
Law, order and protective services	0·5	0·5	1·0	—	1·0	0·2	1·5	—	—	1·7	2·7
Education and libraries, science and arts											
Agricultural Research Council	7·1	2·8	9·9	0·9	10·8	0·9	—	18·6	—	19·5	30·3
Medical Research Council	15·0	6·0	21·0	2·8	23·8	6·5	—	3·5	0·3	10·3	34·1
Natural Environment Research Council	9·9	7·5	17·4	3·1	20·5	1·5	0·8	2·1	—	4·4	24·9
Science Research Council	11·4	12·5	23·9	4·6	28·5	19·3	—	0·4	26·1	45·8	74·3
Other science, etc.	1·9	0·3	2·2	—	2·2	0·5	—	1·7	—	2·2	4·4
Universities in the United Kingdom	—	—	—	—	—	85·6	—	—	—	85·6	85·6
Health and social security	8·2	3·2	11·4	0·3	11·7	1·2	1·4	0·1	—	2·7	14·4
Other public services and common services	0·6	5·3	5·9	0·4	6·3	—	—	—	—	—	6·3
Northern Ireland	2·0	1·0	3·0	0·1	3·1	—	0·1	0·4	—	0·5	3·6
Total civil	129·5	82·3	211·8	32·4	244·2	117·9	86·0	37·4	47·4	288·7	532·9
Total R & D in the natural sciences	253·6	140·5	394·1	52·4	446·5	120·2	420·4	37·4	78·1	656·1	1,102·6
Social science R & D[1]											
Defence	0·3	—	0·3	—	0·3	—	—	—	—	—	0·3
Civil											
Overseas services	—	—	—	—	—	0·7	—	—	0·1	0·8	0·8
Industry, trade and employment	0·2	—	0·2	—	0·2	0·2	—	0·2	—	0·4	0·6
Environmental services	1·0	0·2	1·2	0·1	1·3	0·2	0·7	0·5	—	1·4	2·7
Law, order and protective services	0·2	—	0·2	—	0·2	0·4	—	0·3	—	0·7	0·9
Education and libraries, science and arts[2]											
Social Science Research Council	0·5	0·4	0·9	—	0·9	2·2	—	0·4	0·1	2·7	3·6
Education, etc.	0·1	—	0·1	—	0·1	0·5	—	1·4	—	1·9	2·0
Health and social security	2·2	1·1	3·3	0·5	3·8	1·2	—	0·6	—	1·8	5·6
Other services[3]	0·4	—	0·4	—	0·4	0·2	0·1	0·3	—	0·6	1·0
Total civil	4·6	1·7	6·3	0·6	6·9	5·6	0·8	3·7	0·2	10·3	17·2
Total social science R & D	4·9	1·7	6·6	0·6	7·2	5·6	0·8	3·7	0·2	10·3	17·5
Total expenditure on R & D	258·5	142·2	400·7	53·0	453·7	125·8	421·2	41·1	78·3	666·4	1,120·1

Source: Central Statistical Office

[1] The figures for social science R & D are less reliable than those for R & D in general because of the difficulties in distinguishing between social science and other research and between social science research and other related activities such as information services and general purpose data collection.

[2] No estimate of social science R & D carried out in universities and financed by the government general grant in aid has been included.

[3] Including agriculture, fisheries and forestry,other public services, common services and Northern Ireland.

Gross central government expenditure on research and development – 1975-76

TABLE 4 *(continued)*

	£ million										
	Intra-mural					Extra-mural					
	Current										
	Salaries and wages	Other	Total	Capital	Total intra-mural	Universities and further education establishments	Private industry and public corporations	Other	Overseas	Total extra-mural	Total intra- and extra-mural
R & D in the natural sciences											
Defence	158·2	71·3	229·5	22·8	252·3	2·4	369·7	0·3	52·6	425·0	677·3
Civil											
Overseas services	1·7	0·4	2·1	0·3	2·4	0·9	1·1	0·1	5·1	7·2	9·6
Agriculture, fisheries and forestry	14·3	4·7	19·0	4·4	23·4	—	0·9	11·0	—	11·9	35·3
Industry, trade and employment:											
Aerospace	—	—	—	—	—	0·1	86·2	—	22·7	109·0	109·0
Energy	56·6	42·7	99·3	9·6	108·9	0·7	14·7	0·5	2·3	18·2	127·1
Other industry, trade and employment	13·5	5·2	18·7	3·1	21·8	0·7	21·9	1·5	0·1	24·2	46·0
Environmental services	11·4	4·5	15·9	2·4	18·3	1·5	5·5	3·9	0·1	11·0	29·3
Law, order and protective services	0·7	0·5	1·2	0·1	1·3	0·1	2·1	0·1	—	2·3	3·6
Education and libraries, science and arts:											
Agricultural Research Council	8·9	3·8	12·7	0·8	13·5	1·0	—	21·8	—	22·8	36·3
Medical Research Council	19·7	7·3	27·0	2·9	29·9	9·6	—	5·1	1·0	15·7	45·6
Natural Environment Research Council	13·3	9·0	22·3	4·1	26·4	1·7	1·4	2·8	—	5·9	32·3
Science Research Council	14·7	17·4	32·1	6·3	38·4	23·8	0·1	0·5	31·0	55·4	93·8
Other science, etc.	2·5	0·4	2·9	—	2·9	0·5	—	1·9	—	2·4	5·3
Universities in the United Kingdom	—	—	—	—	—	117·1	—	—	—	117·1	117·1
Health and social security	10·0	3·5	13·5	0·3	13·8	1·2	1·5	0·2	—	2·9	16·7
Other public services and common services	0·8	4·2	5·0	0·7	5·7	—	—	—	—	—	5·7
Northern Ireland	2·5	2·4	4·9	0·3	5·2	0·1	—	0·5	—	0 6	5·8
Total civil	170·6	106·0	276·6	35·3	311·9	159·0	135·4	49·9	62·3	406·6	718·5
Total R & D in the natural sciences	328·8	177·3	506·1	58·1	564·2	161·4	505·1	50·2	114·9	831·6	1,395·8
Social science R & D[1]											
Defence	0·3	—	0·3	—	0·3	—	—	—	—	—	0·3
Civil											
Overseas services	—	—	—	—	—	0·3	—	—	0·1	0·4	0·4
Industry, trade and employment	0·3	0·1	0·4	—	0·4	0·2	—	1·1	—	1·3	1·7
Environmental services	1·7	0·3	2·0	—	2·0	0·2	0·5	0·9	—	1·6	3·6
Law, order and protective services	0·4	—	0·4	—	0·4	0·4	—	0·3	—	0·7	1·1
Education and libraries, science and arts[2]											
Social Science Research Council	0·7	0·5	1·2	—	1·2	2·8	—	0·6	0·2	3·6	4·8
Education, etc.	0·1	—	0·1	—	0·1	0·6	—	2·5	—	3·1	3·2
Health and social security	3·1	0·2	3·3	1·6	4·9	1·6	—	0·5	—	2·1	7·0
Other services[3]	0·6	0·2	0·8	—	0·8	0·2	0·1	0·4	—	0·7	1·5
Total civil	6·9	1·3	8·2	1·6	9·8	6·3	0·6	6·3	0·3	13·5	23·3
Total social science R & D	7·2	1·3	8·5	1·6	10·1	6·3	0·6	6·3	0·3	13·5	23·6
Total expenditure on R & D	336·1	178·6	514·6	59·7	574·3	167·7	505·7	56·5	115·2	845·1	1,419·4

See footnotes on page 107

Source: Central Statistical Office

Gross central government expenditure on research and development – 1976-77

TABLE 4 (*continued*)

	£ million										
	Intra-mural					Extra-mural					
	Current										
	Salaries and wages	Other	Total	Capital	Total intra-mural	Universities and further education establish-ments	Private industry and public corporations	Other	Overseas	Total extra-mural	Total intra- and extra-mural
R & D in the natural sciences:											
Defence	170·4	78·7	249·1	30·4	279·5	3·5	433·0	0·3	67·4	504·2	783·7
Civil											
Overseas services	1·8	0·5	2·3	0·2	2·5	1·4	—	1·2	4·6	7·2	9·7
Agriculture, fisheries and forestry	16·4	4·9	21·3	5·3	26·6	0·1	1·0	11·9	—	13·0	39·6
Industry, trade and employment:											
Aerospace	—	—	—	—	—	—	78·0	—	31·5	109·5	109·5
Energy	59·4	52·6	112·0	16·6	128·6	0·9	7·7	14·1	1·0	23·7	152·3
Other industry, trade and employment	10·0	3·7	13·7	3·4	17·1	0·6	17·5	2·4	0·2	20·7	37 8
Environmental services	12·4	8·3	20·7	4·2	24·9	2·2	5·7	4·4	0·2	12·5	37·4
Law, order and protective services	1·1	0·6	1·7	0·2	1·9	0·2	2·3	—	—	2·5	4·4
Education and libraries, science and arts:											
Agricultural Research Council	10·0	4·7	14·7	1·1	15·8	1·4	—	26·4	—	27·8	43·6
Medical Research Council	21·4	7·9	29·3	3·0	32·3	11·8	—	4·9	1·3	18·0	50·3
Natural Environment Research Council	14·5	11·3	25·8	3·8	29·6	2·3	2·4	3·3	—	8·0	37·6
Science Research Council	16·2	17·3	33·5	9·0	42·5	29·5	0·1	0·6	37·6	67·8	110·3
Other science, etc.	2·8	0·5	3·3	—	3·3	0·6	—	2·3	—	2·9	6·2
Universities in the United Kingdom	—	—	—	—	—	127·9	—	—	—	127·9	127·9
Health and social security	8·4	2·9	11·3	—	11·3	1·7	1·6	1·6	—	4·9	16·2
Other public services and common services	0·2	6·6	6·8	0·3	7·1	—	—	—	—	—	7·1
Northern Ireland	2·8	2·6	5·4	0·5	5·9	—	—	0·5	—	0·5	6·4
Total civil	177·4	124·4	301·8	47·6	349·4	180·6	116·3	73·6	76·4	446·9	796·3
Total R & D in the natural sciences	347·8	203·1	550·9	78·0	628·9	184·1	549·3	73·9	143·8	951·1	1,580·0
Social science R & D[1]											
Defence	0·4	—	0·4	—	0·4	—	—	—	—	—	0·4
Civil											
Overseas services	—	—	—	—	—	0·2	—	—	0·2	0·4	0·4
Industry, trade and employment	0·6	0·2	0·8	—	0·8	0·6	0·2	0·6	—	1·4	2·2
Environmental services	2·0	0·4	2·4	—	2·4	0·4	1·4	0·8	—	2·6	5·0
Law, order and protective services	1·0	—	1·0	—	1·0	0·2	—	—	—	0·2	1·2
Education and libraries, science and arts[2]											
Social Science Research Council	0·8	0·5	1·3	—	1·3	3·5	—	0·9	—	4·4	5·7
Education, etc.	0·1	—	0·1	—	0·1	0·7	—	2·6	0·1	3·4	3·5
Health and social security	3·3	—	3·3	0·2	3·5	2·0	—	0·8	—	2·8	6·3
Other services[3]	0·8	0·2	1·0	—	1·0	0·2	0·1	0·4	—	0·7	1·7
Total civil	8·6	1·3	9·9	0·2	10·1	7·8	1·7	6·1	0·3	15·9	26·0
Total social science R & D	9·0	1·3	10·3	0·2	10·5	7·8	1·7	6·1	0·3	15·9	26·4
Total expenditure on R & D	356·8	204·4	561·2	78·2	639·4	191·9	551·0	80·0	144·1	967·0	1,606·4

See footnotes on page 107

Source: Central Statistical Office

Gross central government current intra-mural expenditure by type of work[1]

TABLE 5

£ million

	1974–75					1975–76					1976–77				
	Basic research	Applied research	Develop-ment	Un-allocated	Total	Basic research	Applied research	Develop-ment	Un-allocated	Total	Basic research	Applied research	Develop-ment	Un-allocated	Total
Defence	14·6	54·6	113·1	—	182·3	18·7	69·7	141·1	—	229·5	4·0	67·4	177·7	—	249·1
Civil															
Overseas services	—	1·1	0·5	—	1·6	—	1·4	0·7	—	2·1	—	1·5	0·8	—	2·3
Agriculture, fisheries and forestry	1·8	9·2	2·5	—	13·5	1·0	14·7	3·3	—	19·0	2·4	15·1	3·8	—	21·3
Industry, trade and employment:															
Aerospace	—	0·4	—	—	0·4	—	—	—	—	—	—	—	—	—	—
Energy	5·9	9·8	59·3	—	75·0	8·2	14·1	77·0	—	99·3	7·2	15·7	89·1	—	112·0
Other industry, trade and employment	0·2	11·4	0·8	0·8	13·2	0·6	15·7	1·3	1·1	18·7	0·6	11·0	1·0	1·1	13·7
Environmental services	1·1	9·9	1·4	—	12·4	1·3	12·4	2·2	—	15·9	1·0	13·6	6·1	—	20·7
Law, order and protective services	0·1	0·2	0·7	—	1·0	0·1	1·1	—	—	1·2	—	0·1	1·6	—	1·7
Education and libraries, science and arts:															
Agricultural Research Council	5·3	4·6	—	—	9·9	6·8	5·9	—	—	12·7	7·9	6·8	—	—	14·7
Medical Research Council	10·7	10·3	—	—	21·0	13·8	13·2	—	—	27·0	14·9	14·4	—	—	29·3
Natural Environment Research Council	14·3	3·1	—	—	17·4	18·3	4·0	—	—	22·3	21·2	4·6	—	—	25·8
Science Research Council	23·9	—	—	—	23·9	32·1	—	—	—	32·1	33·5	—	—	—	33·5
Other science, etc.	1·3	0·8	0·1	—	2·2	2·3	0·4	0·2	—	2·9	2·7	0·5	0·1	—	3·3
Health and social security	0·1	5·6	5·7	—	11·4	—	7·5	6·0	—	13·5	1·0	4·8	5·5	—	11·3
Other public services and common services	—	—	1·8	4·1	5·9	—	—	2·5	2·5	5·0	—	0·1	1·9	4·8	6·8
Northern Ireland	1·5	—	1·5	—	3·0	2·5	0·1	2·3	—	4·9	2·6	0·1	2·7	—	5·4
Total civil	66·2	66·4	74·3	4·9	211·8	87·0	90·5	95·5	3·6	276·6	95·0	88·3	112·6	5·9	301·8
Total	80·8	121·0	187·4	4·9	394·1	105·7	160·2	236·6	3·6	506·1	99·0	155·7	290·3	5·9	550·9

[1] Excluding social science R & D.

Source: Central Statistical Office.

Net central government expenditure on research and development

TABLE 6

£ million

	1972–73	1973–74	1974–75	1975–76	1976–77	1977–78 (provisional out-turn)
R & D in the natural sciences						
Defence	353·8	405·3	498·8	663·8	754·9	861·2
Civil						
Overseas services	4·8	5·4	7·6	10·4	10·7	12·0
Agriculture, fisheries and forestry[1]	16·7	26·6	36·6	54·1	61·4	67·9
Industry, trade and employment:						
Aerospace	102·6	106·3	125·9	128·2	101·0	85·1
Energy	50·7	56·2	68·4	94·4	113·5	125·8
Other industry, trade and employment	30·3	35·3	41·4	52·3	43·6	45·4
Environmental services	14·8	17·6	23·3	32·5	41·1	36·2
Law, order and protective services	1·9	2·2	2·9	3·9	4·5	4·2
Education and libraries, science and arts:						
Agricultural Research Council	21·9	17·2	17·4	15·0	19·2	20·7
Medical Research Council	25·9	23·7	25·8	32·5	36·9	38·9
Natural Environment Research Council	16·3	12·1	16·4	19·1	21·2	23·8
Science Research Council[2]	57·6	66·6	76·6	96·5	113·0	118·4
Other science etc.	3·3	3·5	4·3	5·3	6·2	6·7
Universities in the United Kingdom	49·6	57·5	85·6	117·1	127·9	135·7
Health and social security[3]	7·8	16·0	15·6	20·9	19·6	20·5
Other public services	0·1	0·1	0·2	0·1	0·2	0·2
Common services	5·1	5·7	6·1	5·5	6·9	7·9
Northern Ireland	2·1	2·4	3·3	5·5	6·0	6·5
Total civil	411·5	454·4	557·4	693·3	732·9	755·9
Total R & D in the natural sciences	765·3	859·7	1,056·2	1,357·1	1,487·8	1,617·1
Social science R & D[5]						
Defence	0·2	0·2	0·3	0·3	0·4	0·4
Civil						
Overseas services	0·2	0·3	0·8	0·4	0·4	0·4
Agriculture, fisheries and forestry	—	0·1	0·1	0·1	0·1	0·1
Industry, trade and employment	0·3	0·4	0·6	2·0	2·4	2·5
Environmental services	1·5	2·7	3·4	4·3	5·8	8·2
Law, order and protective services	0·7	0·8	0·9	1·1	1·2	1·4
Education and libraries, science and arts[6]:						
Social Science Research Council	2·6	2·7	3·5	4·7	5·6	5·2
Education, etc.	1·3	1·5	1·9	3·2	3·5	3·6
Health and social security[4]	3·6	2·0	5·7	7·1	6·5	6·6
Other public services	0·7	0·9	0·9	1·1	1·2	1·3
Common services	0·2	—	—	—	—	—
Northern Ireland	—	—	0·1	0·3	0·3	0·4
Total civil	11·1	11·4	17·9	24·3	27·0	29·7
Total social science R & D	11·3	11·6	18·2	24·6	27·4	30·1
Total expenditure on R & D	776·6	871·3	1,074·4	1,381·7	1,515·2	1,647·2
[1] *of which* Scottish Departments	8·0	9·4	11·2	14·3	16·0	17·5
[2] *of which* subscriptions to the European Organisation for Nuclear Research	9·4	13·6	16·0	18·6	23·2	23·8
[3] *of which* Scottish Departments	0·8	1·4	1·9	2·7	2·4	2·9
[4] *of which* Scottish Departments	—	0·1	0·1	0·1	0·1	0·1

[5] See footnote [1] on page 107. [6] See footnote [2] on page 107.

Source: Central Statistical Office

Net central government expenditure on research and development: analysis by EEC objectives

TABLE 7

	£ million				
	1973–74	1974–75	1975–76	1976–77	1977–78 (provisional out-turn)
Exploration and exploitation of the earth and its atmosphere:					
General	—	0·1	0·3	1·0	1·0
Soil and substratum	1·9	4·7	5·9	9·1	11·3
Land hydrology	0·6	0·3	0·7	0·5	0·5
Seas and oceans	1·5	2·3	2·9	4·0	4·0
Atmosphere	—	—	—	—	0·1
Other	—	—	—	—	—
Total	4·0	7·4	9·8	14·6	16·9
Planning of the human environment:					
General	0·7	0·9	1·2	0·8	0·8
Land development	1·8	2·2	3·7	2·5	2·2
Construction and planning of buildings	4·7	4·7	6·3	11·1	10·8
Civil engineering	4·3	5·3	8·8	7·9	6·6
Transport systems	3·9	6·0	8·6	10·9	8·6
Telecommunications systems	0·2	0·4	—	—	0·1
Water supply	0·5	1·1	1·4	2·1	1·7
Other	—	—	0·9	1·1	1·2
Total	16·1	20·6	30·9	36·4	32·0
Protection and improvement of human health:					
General	0·9	1·3	1·3	0·9	0·6
Medical	12·2	16·5	22·7	21·5	22·3
Food hygiene and nutrition	4·4	1·8	2·1	2·6	2·5
Pollution	1·4	4·7	7·8	12·7	16·5
Other	4·9	1·6	2·8	3·4	4·0
Total	23·8	25·9	36·7	41·1	45·9
Production, distribution and rational utilisation of energy:					
General	—	—	0·1	0·1	0·1
Primary energy products and associated products	8·3	8·4	10·2	13·4	23·9
Primary energy conversion	48·0	58·2	79·1	90·3	87·4
Production, storage, transportation and distribution of electricity, gas, steam and hot water	0·1	0·2	0·2	0·4	0·4
Energy conservation	0·2	0·2	0·2	0·5	0·6
Other	—	—	—	—	—
Total	56·6	67·0	89·8	104·7	112·4
Agricultural productivity and technology:					
General	5·0	5·6	9·0	9·0	9·7
Domestic and wild animal products	9·9	13·9	21·2	24·1	29·3
Crops (including forestry) and wine	11·4	17·4	24·5	27·2	29·5
Fishing and fishery products	2·8	3·0	3·7	4·1	2·9
Other	1·5	1·7	2·8	2·8	4·3
Total	30·6	41·6	61·2	67·2	75·7

Source: Central Statistical Office

Net central government expenditure on research and development: analysis by EEC objectives

TABLE 7 (*continued*)

	£ million				
	1973–74	1974–75	1975–76	1976–77	1977–78 (provisional out-turn)
Industrial productivity and technology:					
General	6·9	6·0	5·2	2·7	2·4
Metalliferous ores and preliminary processing of metals	0·2	0·6	1·1	1·4	1·8
Other minerals not used for energy production and their processing	—	—	—	0·2	0·2
Products of the chemical industry	0·5	0·6	0·9	1·0	1·1
Metal articles, mechanical machinery and equipment	3·8	0·9	1·5	2·0	2·4
Electrical, electromechanical and electronic engineering	12·2	13·5	14·5	11·3	8·9
Precision and optical instruments	—	0·1	0·5	1·1	1·3
Civil transport equipment	100·3	113·7	106·8	74·7	58·5
Products of other industries	1·9	2·7	4·3	4·3	5·1
Other	0·1	6·4	7·6	6·2	6·8
Total	125·9	144·5	142·4	104·9	88·5
Social and sociological problems:					
General	0·1	1·2	0·6	0·1	0·9
Systems analysis and planning	0·1	0·2	0·1	0·5	0·8
Education, vocational training and retraining	1·0	1·6	3·0	3·2	3·3
Cultural questions	—	—	—	—	—
Management and organisation in business and administration	0·9	3·3	3·6	3·2	4·5
Improvement of working conditions	—	—	0·3	0·3	0·3
Social action	0·5	0·8	0·9	1·0	1·2
Social relationships and conflicts	2·1	2·7	3·8	3·8	3·8
Organisation of leisure	—	—	0·1	0·2	0·2
Other	1·2	1·7	3·4	3·8	2·8
Total	5·9	11·5	15·8	16·1	17·8
Exploration and exploitation of space:					
General	5·7	—	—	—	—
Research on launchers and satellites	14·1	22·5	32·0	41·7	43·3
Other	—	—	—	—	—
Total	19·8	22·5	32·0	41·7	43·3
Defence	406·6	500·2	668·1	756·1	862·9
General promotion of knowledge:					
General	58·8	86·2	118·3	129·3	137·2
Exact and natural sciences	71·6	86·6	106·5	122·5	127·2
Agronomic research	17·3	17·4	15·1	19·2	20·8
Medicinal research	23·7	25·9	32·5	37·0	38·9
Engineering research	6·3	11·7	16·0	16·7	20·0
Social sciences and humanities	3·5	4·6	5·8	6·5	6·3
Other	0·8	0·8	0·8	1·2	1·6
Total	182·0	233·2	295·0	332·4	352·0
Total, all objectives	871·3	1,074·4	1,381·7	1,515·2	1,647·2

Source: Central Statistical Office

Expenditure[1] by the Research Councils 1974-75 to 1979-80

TABLE 8

	£ thousand					
	1974–75	1975–76	1976–77	1977–78	1978–79 (provisional)	1979–80 (estimates)
Agricultural Research Council[2]						
Expenditure:						
Current	31,525[3]	38,593[3]	43,963[3]	48,971[3]	54,387[3]	60,729[3]
Capital	3,963	3,907	6,394	6,486	9,471	9,238
Medical Research Council						
Expenditure:						
Current	30,651[3]	43,277[3]	46,531[3]	47,860[3]	54,599[3]	62,612[3]
Capital	2,451	2,841	2,832	3,900	5,915	4,716
Natural Environment Research Council						
Expenditure:						
Current	14,324[3]	16,733[3]	19,798[3]	22,502[3]	24,933[3]	28,628[3]
Capital	3,138	4,426	6,591	5,363	6,222	6,831
Science Research Council						
Expenditure:						
Current	79,058	99,415	115,548	124,954	138,876	158,924
Capital	4,628	5,862	9,695	11,810	14 441	17,788
Social Science Research Council						
Expenditure:						
Current	7,072	9,516	11,410	13,621	15,478	17,777
Capital	56	49	39	46	40	42

Source: Department of Education and Science

[1] Including postgraduate awards.
[2] These figures relate to the field under the scientific oversight of the Agricultural Research Council including expenditure and research institutes provided for in the vote of the Department of Agriculture for Scotland.
[3] Including receipts attributable to Cmnd. 5046.

Expenditure[1] by Research Councils in support of research at universities – 1974-75 to 1979-80

TABLE 9

	£ thousands					
	1974–75	1975–76	1976–77	1977–78	1978–79 (provisional)	1979–80 (estimates)
Research grants to universities						
Agricultural Research Council	817	972	1,322	1,710	1,713	2,036
Medical Research Council	8,055	11,157	11,757	11,606	12,977	17,251
Natural Environment Research Council	1,308	1,646	2,190	2,308	2,363	3,056
Science Research Council	17,136	20,533	25,650	25,364	29,714	39,687
Social Science Research Council	2,171	2,645	3,290	2,810	3,199	2,985
Total	29,487	36,953	44,209	43,798	49,966	65,015
Expenditure on research units within universities						
Agricultural Research Council	1,587	1,733	1,761	1,546	1,431	1,658
Medical Research Council	8,161	11,010	7,287	7,556	8,435	9,328
Natural Environment Research Council	134	79	133	272	138	204
Total	9,882	12,822	9,181	9,374	10,004	11,190
Expenditure on research units or institutes associated with universities						
Agricultural Research Council	4,622	5,459	6,522	6,849	6,690	8,659
Medical Research Council	1,525	2,526	4,466	4,573	5,547	6,218
Natural Environment Research Council	—	—	—	—	—	—
Social Science Research Council	402	525	682	595	632	767
Total	6,549	8,510	11,670	12,017	12,869	15,644
Studentships, fellowships and bursaries						
Agricultural Research Council	19	20	25	22	50	94
Medical Research Council	1,319	1,845	2,135	2,681	3,061	3,652
Natural Environment Research Council	1,048	1,305	1,753	2,556	2,862	3,370
Science Research Council	7,097	9,312	11,794	16,879	19,443	22,851
Social Science Research Council	2,940	3,882	4,902	7,586	8,645	9,648
Total	12,423	16,364	26,609	29,724	34,061	39,615
Research training support grants						
Agricultural Research Council	—	—	—	—	2	4
Medical Research Council	197	229	198	193	186	205
Natural Environment Research Council	191	211	225	229	236	291
Science Research Council	1,532	1,696	1,690	1,698	1,723	2,122
Social Science Research Council	34	38	39	46	67	101
Total	1,954	2,174	2,152	2,166	2,214	2,723

Source: Department of Education and Science.

[1] This expenditure is included in Table 8.

Employment on research and development in central government at 1 January

TABLE 10

thousands

	1975					1976				
	Natural sciences					Natural sciences				
	Scientists and Engineers	Technicians	Other[1]	Social science	Total	Scientists and Engineers	Technicians	Other[1]	Social science	Total
Defence	7·5	6·9	25·8	0·1	40·3	7·6	6·5	25·6	0·1	39·8
Civil										
Overseas services	0·2	0·1	0·1	—	0·4	0·3	0·1	0·1	—	0·5
Agriculture, fisheries and forestry	1·0	1·4	1·5	—	3·9	1·0	1·2	1·7	—	3·9
Industry, trade and employment										
Aerospace[2]										
Energy	3·1	2·0	7·2	—	12·3	3·2	2·1	7·6	—	12·9
Other	1·0	1·2	1·4	—	3·6	1·1	1·2	1·4	0·1	3·8
Environmental services	1·3	0·2	1·3	0·2	3·0	1·4	0·3	1·3	0·2	3·2
Law, order and protective services	0·1	—	0·1	0·1	0·3	0·1	—	0·1	0·1	0·3
Education and libraries, science and arts:										
Agricultural Research Council	0·4	0·7	0·9	—	2·0	0·5	0·6	0·9	—	2·0
Medical Research Council	1·4	1·3	1·3	—	4·0	1·4	1·3	1·4	—	4·1
Natural Environmental Research Council	1·1	0·1	1·3	—	2·5	1·2	0·1	1·3	—	2·6
Science Research Council	0·7	0·5	1·7	—	2·9	0·7	0·5	1·7	—	2·9
Other science etc.	0·2	0·2	0·2	0·2[3]	0·8	0·2	0·2	0·2	0·2[3]	0·8
Health and social security[4]	0·1	—	0·1	0·1	0·3	0·1	—	0·1	0·1	0·3
Other public services	—	—	—	0·1	0·1	—	—	—	0·1	0·1
Common services	—	—	0·2	—	0·2	—	—	0·2	—	0·2
Northern Ireland	0·2	0·3	0·3	—	0·8	0·2	0·4	0·3	—	0·9
Total employed on R & D in the natural sciences	18·3	14·9	43·4		76·6	19·0	14·5	43·9		77·4
Total employed on social science research	0·5	—	0·3	0·8	0·8	0·6	—	0·3	0·9	0·9
Total	18·8	14·9	43·7		77·4	19·6	14·5	44·2		78·3

Thousands

	1977					1978 (provisional)				
	Natural sciences					Natural sciences				
	Scientists and Engineers	Technicians	Other[1]	Social science	Total	Scientists and Engineers	Technicians	Other[1]	Social science	Total
Defence	7·5	6·3	24·6	0·1	38·5	7·4	6·0	23·2	0·1	36·7
Civil:										
Overseas services	0·2	0·1	0·1	—	0·4	0·3	0·1	0·1	—	0·5
Agriculture, fisheries and forestry	1·0	1·1	1·7	—	3·8	1·0	1·1	1·7	—	3·8
Industry, trade and employment:										
Aerospace[2]										
Energy	2·7	1·5	5·6	—	9·8	2·7	1·4	5·5	—	9·6
Other	1·0	1·1	1·4	0·1	3·6	1·0	1·0	1·3	0·1	3·4
Environmental services	1·4	0·2	1·3	0·2	3·1	1·2	0·2	1·1	0·5	3·0
Law, order and protective services	0·2	—	—	0·1	0·3	0·2	—	—	0·1	0·3
Education and libraries, science and arts:										
Agricultural Research Council	0·5	0·7	0·9	—	2·1	0·5	0·6	0·9	—	2·0
Medical Research Council	1·4	1·2	1·2	—	3·8	1·4	1·1	1·2	—	3·7
Natural Environmental Research Council	1·6	0·1	1·0	—	2·7	1·6	0·1	1·0	—	2·7
Science Research Council	0·8	0·7	1·3	—	2·8	0·8	0·7	1·3	—	2·8
Other science, etc.	0·2	0·2	0·3	0·1[3]	0·8	0·2	0·2	0·2	0·1[3]	0·7
Health and social security[4]	0·1	—	0·1	0·1	0·3	0·1	—	0·1	0·1	0·3
Other public services	—	0·1	—	0·1	0·2	—	—	—	0·1	0·1
Common services	—	—	—	—	—	—	—	—	—	—
Northern Ireland	0·1	0·4	0·2	0·1	0·8	0·2	0·4	0·3	—	0·9
Total employed on R & D in the natural sciences	18·7	13·7	39·7		72·1	18·6	12·9	37·9		69·4
Total employed on social science research	0·5	—	0·4	0·9	0·9	0·6	0·1	0·4	1·1	1·1
Total	19·2	13·7	40·1		73·0	19·2	13·0	38·3		70·5

Source: Central Statistical Office.

[1] Including administrative staff.
[2] Included with Defence.
[3] Social Science Research Council *plus* Education research.
[4] Excluding hospital staff.

Expenditure on research and development performed within or financed by industry: by sector and product group

TABLE 11

£ million

Product group	1972						1975					
		Research and development carried out within following industrial sectors				Research and development financed by industry and carried out by other sectors[4]		Research and development carried out within following industrial sectors				Research and development financed by industry and carried out by other sectors[4]
	Total Expenditure	Total industry	Private industry	Public corporations	Research associations		Total expenditure	Total industry	Private industry	Public corporations	Research associations	
All product groups	838·5	830·5	742·5	69·2	18·8	8·0	1,352·3	1,340·1	1,185·1	124·0	31·1	12·2
Mining and quarrying[1]	3·4	3·3	2·0	0·4	1·0	0·1	6·4	5·4	4·6	0·7	—	1·1
Manufactures: Total	811·4	806·2	736·7	54·0	15·4	5·3	1,302·4	1,293·4	1,172·4	98·8	22·2	9·0
Food, drink, tobacco	26·6	26·1	24·6	—	1·4	0·5	50·3	49·5	47·7	0·1	1·7	0·9
Chemical and allied products: Total	140·8	137·8	135·2	1·4	1·3	2·9	251·0	245·4	237·6	5·4	2·4	5·5
Petroleum products	13·8	13·6	13·6	—	—	0·2	18·3	18·1	18·1	—	—	0·2
Pharmaceutical products	43·2	41·9	41·9	—	—	1·3	81·4	78·7	78·7	—	—	2·7
Paint	4·1	4·1	3·8	—	0·3	—	7·2	7·2	6·8	—	0·4	—
Synthetic rubber, resins and plastic materials	14·8	14·8	14·4	—	0·3	—	26·8	26·7	25·5	0·1	1·1	0·1
Other chemicals	64·9	63·5	61·5	1·4	0·6	1·4	117·3	114·8	108·5	5·3	0·9	2·5
Iron and steel	14·3	14·1	2·0	11·4	0·7	0·2	27·7	27·5	3·5	23·1	1·0	0·2
Non-ferrous metals	6·7	6·6	5·7	0·1	0·9	0·1	8·7	8·6	7·1	0·3	1·3	0·1
Mechanical engineering: Total	55·1	54·8	36·2	16·3	2·3	0·4	104·0	103·4	71·0	30·1	2·3	0·6
Metal-working machine tools	2·8	2·8	1·6	0·1	1·1	—	5·7	5·7	4·3	—	1·3	—
Textile machinery	2·7	2·7	2·4	—	0·3	0·1	3·6	3·6	3·4	—	0·2	—
Mechanical handling and contractors' plant	4·1	4·0	2·5	1·5	—	—	7·6	7·6	5·6	1·9	—	0·1
Industrial plant and steelwork	17·0	16·9	4·5	11·9	0·5	0·1	27·8	27·4	7·4	19·4	0·6	0·3
Other machinery and equipment	28·5	28·4	25·2	2·8	0·4	0·1	59·3	59·2	50·3	8·7	0·2	0·2
Scientific instruments and systems	20·8	20·7	19·9	0·1	0·7	0·1	26·1	25·9	21·1	3·8	1·0	0·2

(continued on next page)

Source: Department of Industry

[1] Mining and quarrying, petroleum and natural gas exploration and extraction.
[2] The figures for this product group do not include the sums or the appreciable development work undertaken on sites: particularly work undertaken in civil engineering.
[3] Gas, electricity, water, railway, road, sea and air transport systems, health and safety, etc.
[4] Government establishments, universities, non-profit organisations.

Expenditure on research and development performed within or financed by industry: by sector and product group

TABLE 11 (*continued*)

£ million

Product group	1972						1975					
		Research and development carried out within following industrial sectors				Research and development financed by industry and carried out by other sectors[4]		Research and development carried out within following industrial sectors				Research and development financed uy industry and carried out by other sectors[4]
	Total Expenditure	Total industry	Private industry	Public corporations	Research associations		Total expenditure	Total industry	Private industry	Public corporations	Research assoc iations	
Electrical engineering: Total	219·6	219·7	193·9	23·5	1·7	0·5	352·4	351·9	315·1	34·9	2·0	0·5
Electronic computers	27·3	27·3	27·0	—	0·3	—	51·0	50·9	50·3	0·4	0·3	0·1
Electronic components and apparatus including telecommunications	152·1	151·7	133·3	18·3	0·2	0·4	228·3	228·0	200·3	27·5	0·2	0·3
Electrical machinery	24·5	24·4	19·6	3·7	1·1	0·1	33·8	33·8	27·7	4·7	1·3	—
Insulated wires and cables	5·5	5·5	4·2	1·3	0·1	—	11·4	11·4	9·0	2·2	0·2	0·1
Domestic appliances	2·9	2·9	2·7	0·2	—	—	6·5	6·4	6·3	0·1	—	—
Miscellaneous electrical goods	7·3	7·3	7·2	—	—	—	21·5	21·4	21·4	—	—	—
Ships and marine engines	7·2	7·1	5·9	0·1	1·1	—	16·2	16·1	14·0	—	2·1	0·1
Motor vehicles	58·3	58·1	57·2	0·2	0·8	0·1	88·5	88·3	86·9	—	1·4	0·1
Aerospace (including air cushion vehicles)	208·4	208·3	208·1	0·2	—	0·1	291·9	291·5	291·5	—	0·1	0·3
Metal goods not elsewhere specified	8·7	8·7	7·9	0·5	0·2	—	11·1	11·1	9·9	0·9	0·3	0·1
Textiles and man-made fibres	13·4	13·3	12·2	—	1·1	0·1	26·3	26·1	24·5	—	1·6	0·1
Leather, leather goods and fur	0·2	0·2	0·1	—	0·1	—	} 1·6	1·6	0·7	—	0·9	—
Clothing and footwear	0·8	0·8	0·4	—	0·5	—						
Building materials and abrasives	4·6	4·5	3·9	—	0·5	0·1	6·8	6·7	6·4	0·1	0·3	0·1
Pottery, china and glass	7·5	7·5	7·2	—	0·3	—	11·1	11·1	10·5	—	0·5	—
Timber and furniture	1·0	0·5	0·4	—	0·6	—	1·6	1·6	0·6	—	1·0	—
Paper, paper products and publishing	5·6	5·6	5·1	—	0·5	—	8·2	8·2	7·4	0·1	0·7	—
Rubber and rubber goods	5·9	5·9	5·1	—	0·8	—	9·9	9·8	8·5	—	1·3	—
Other manufactures	5·9	5·9	5·8	0·1	—	0·1	9·0	8·9	8·5	0·1	0·3	0·1
Construction[2]	3·2	3·1	1·6	0·3	1·1	0·1	6·4	6·4	2·4	0·3	3·6	—
Utilities and services[3]	20·5	18·0	2·2	14·5	1·3	2·6	37·1	35·0	5·6	24·2	5·2	2·1

See footnotes on page 117

Source: Department of Industry

Source of finance for research and development performed within, or financed by, industry

TABLE 12

£ million

Product group	1972 All sources of finance	1972 Funds from: Private industry[1] [5]	1972 Funds from: Public corporations	1972 Funds from: Government	1975 All sources of finance	1975 Funds from: Private industry[1] [5]	1975 Funds from: Public corporations	1975 Funds from: Government
All product groups	838·5	483·5	77·8	277·3	1,352·3	796·2	142·0	414·1
Manufactures: Total	811·4	477·1	62·1	272·2	1,302·4	779·9	114·8	407·7
Food, drink, tobacco	26·6	26·2	0·1	0·3	50·3	49·8	0·1	0·5
Chemical and allied products: Total	140·8	137·6	1·9	1·2	251·0	236·1	7·4	7·5
Pharmaceutical products	43·2	43·1	0·1	—	81·4	81·3	—	0·1
Paint	4·1	4·0	—	0·1	7·2	7·1	—	0·1
Synthetic rubber, resins and plastics materials	14·8	14·7	—	0·1	26·8	26·3	0·1	0·4
Other chemicals[2]	78·7	75·9	1·8	1·0	135·6	121·3	7·3	7·0
Iron and steel	14·3	2·4	11·6	0·2	27·7	4·0	23·3	0·4
Non-ferrous metals	6·7	6·4	0·1	0·3	8·7	7·9	0·3	0·4
Mechanical engineering: Total	55·1	33·8	18·0	3·3	104·0	65·7	32·9	5·4
Metal-working machine tools	2·8	1·9	0·5	0·4	5·7	5·1	0·2	0·4
Textile machinery	2·7	2·6	0·1	0·1	3·6	3·5	0·1	—
Mechanical handling and contractors' plant	4·1	2·2	1·8	—	7·6	5·3	2·4	—
Industrial plant and steelwork	17·0	3·8	12·9	0·3	27·8	6·1	21·2	0·4
Other machinery and equipment	28·5	23·3	2·6	2·6	59·3	45·7	9·1	4·6
Scientific instruments and systems	20·8	15·3	0·2	5·4	26·1	19·7	4·0	2·4
Electrical engineering: Total	219·6	111·2	28·2	80·2	352·4	166·7	45·2	140·5
Electronics and telecommunications (including computers)	179·4	84·2	21·2	74·0	279·3	113·3	35·9	130·1
Electrical machinery	24·5	14·3	5·5	4·7	33·8	20·5	6·8	6·5
Insulated wires and cables	5·5	4·1	1·3	0·1	11·4	8·7	2·3	0·5
Domestic appliances	2·9	2·7	0·2	—	6·5	} 24·3	{ 0·1	} 3·4
Miscellaneous electrical goods	7·3	5·9	—	1·4	21·5		{ 0·1	
Ships and marine engines	7·2	3·2	0·6	3·3	16·2	8·5	—	7·7
Motor vehicles	58·3	57·7	0·2	0·3	88·5	87·0	—	1·4
Aerospace (including air cushion vehicles)	208·4	32·1	0·2	176·1	291·9	52·3	—	239·5
Metal goods not elsewhere specified	8·7	8·1	0·5	0·1	11·1	9·9	1·0	0·2
Textiles and man-made fibres	13·4	13·1	—	0·3	26·3	25·8	0·1	0·4
Leather, leather goods, fur	0·2	0·2	—	—	} 1·6	1·4	—	0·2
Clothing and footwear	0·8	0·7	—	0·1				
Building materials and abrasives	4·6	4·5	—	0·1	6·8	6·5	0·2	0·1
Pottery, china and glass	7·5	7·4	—	0·2	11·1	10·8	—	0·3
Timber and furniture	1·0	0·8	—	0·2	1·6	1·4	—	0·2
Paper, paper products and publishing	5·6	5·3	0·2	0·1	8·2	7·9	0·1	0·2
Other manufactures[3]	11·8	11·2	0·1	0·5	18·9	18·4	0·2	0·3
Non-manufacturing[4]	27·1	6·4	15·7	5·1	49·9	16·3	27·2	6·4

Source: Department of Industry

[1] The total of intra-mural work assuming all sub-contracted work represents a double count. This figure includes finance from overseas.
[2] Including petroleum products.
[3] Including rubber and rubber products.
[4] Including mining and quarrying, construction and utilities and services (see full notes on table 11).
[5] For purposes of this table research associations are included in private industry.

Current expenditure on research and development performed within private industry, public corporations and research associations: analysis by type of expenditure, 1975

TABLE 13

£ million

Product group	All industry				Private industry				Public corporations				Research associations			
	Total	Salaries and wages	Materials and equipment	Other	Total	Salaries and wages	Materials and equipment	Other	Total	Salaries and wages	Materials and equipment	Other	Total	Salaries and wages	Materials and equipment	Other
All product groups	1,239·6	674·7	263·8	301·1	1,103·0	591·9	237·1	274·1	108·2	65·4	23·4	19·5	28·4	17·5	3·3	7·6
Mining and quarrying[1]	5·1	3·0	0·9	1·1	4·5	2·6	0·8	1·0	0·6	0·4	0·1	0·1	—	—	—	—
Manufactures: Total	1,196·4	650·0	255·7	290·7	1,091·3	584·9	235·1	271·4	84·7	52·5	18·0	14·2	20·4	12·7	2·6	5·2
Food, drink, tobacco	43·0	26·3	7·1	9·6	41·3	25·1	7·0	9·2	0·1	—	—	—	1·6	1·1	0·2	0·3
Chemical and allied products: Total	213·4	136·1	26·6	50·8	206·6	131·7	25·5	49·3	4·7	2·9	0·8	1·0	2·2	1·5	0·3	0·4
Petroleum products	14·9	10·1	1·5	3·4	14·9	10·1	1·5	3·4	—	—	—	—	—	—	—	—
Pharmaceutical products	66·3	38·9	10·5	16·9	66·3	38·9	10·5	16·9	—	—	—	—	—	—	—	—
Paint	7·0	5·4	0·3	1·3	6·7	5·1	0·3	1·2	—	—	—	—	0·3	0·2	—	0·1
Synthetic rubber, resins and plastic materials	23·8	15·1	3·2	5·5	22·8	14·5	3·0	5·2	0·1	—	—	—	1·0	0·6	0·1	0·3
Other chemicals	101·4	66·7	11·0	23·7	95·9	63·2	10·2	22·6	4·6	2·9	0·8	1·0	0·9	0·6	0·1	0·1
Iron and steel	21·8	14·5	2·5	4·7	3·3	2·0	0·6	0·7	17·6	12·1	1·9	3·6	0·9	0·4	0·1	0·4
Non-ferrous metals	7·5	4·6	1·2	1·7	6·0	3·7	1·0	1·3	0·3	0·1	—	0·1	1·2	0·8	0·2	0·2
Mechanical engineering: Total	95·6	52·8	22·3	20·5	67·4	36·8	15·5	15·1	26·1	14·8	6·4	4·9	2·1	1·2	0·5	0·5
Metal-working machine tools	5·1	2·9	1·2	1·1	3·9	2·3	0·9	0·8	—	—	—	—	1·2	0·6	0·3	0·3
Textile machinery	3·4	2·2	0·8	0·4	3·3	2·1	0·8	0·4	—	—	—	—	0·2	0·1	—	—
Mechanical handling and contractors' plant	7·1	3·9	1·8	1·3	5·2	2·8	1·3	1·1	1·8	1·1	0·5	0·2	—	—	—	—
Industrial plant and steelwork	23·8	14·0	4·9	4·9	7·0	4·1	1·6	1·3	16·2	9·6	3·2	3·5	0·6	0·3	0·2	0·1
Other machinery and equipment	56·2	29·7	13·6	12·8	48·0	25·5	11·0	11·5	8·0	4·1	2·7	1·2	0·2	0·1	—	0·1
Scientific instruments and systems	24·5	14·2	4·0	6·3	20·2	11·7	3·0	5·4	3·4	1·9	0·8	0·7	0·9	0·6	0·2	0·2
Electrical engineering: Total	331·6	175·7	75·5	80·4	298·3	154·8	67·1	76·4	31·4	19·8	8·0	3·6	1·9	1·1	0·4	0·5
Electronic computers	46·7	29·0	3·8	13·8	46·1	28·7	3·7	13·7	0·4	0·2	0·1	0·1	0·2	0·1	0·1	0·1
Electronic components and apparatus including telecommunications	217·3	109·3	57·8	50·2	191·2	92·5	51·1	47·7	25·8	16·7	6·7	2·5	0·2	0·1	—	0·1
Electrical machinery	31·6	17·0	7·3	7·3	26·9	14·3	6·2	6·4	3·4	1·9	0·9	0·6	1·3	0·7	0·2	0·3
Insulated wires and cables	10·1	5·8	1·8	2·5	8·3	4·7	1·4	2·2	1·7	0·9	0·4	0·3	0·2	0·1	—	—
Domestic appliances	6·3	4·4	0·7	1·2	6·1	4·4	0·7	1·1	0·1	0·1	—	0·1	—	—	—	—
Miscellaneous electrical goods	19·7	10·2	4·0	5·4	19·7	10·2	4·0	5·4	—	—	—	—	—	—	—	—
Ships and marine engines	15·7	5·7	5·6	4·4	13·7	4·5	5·5	3·7	—	—	—	—	2·0	1·2	0·2	0·6
Motor vehicles	84·4	58·3	12·0	14·1	83·1	57·5	11·8	13·8	—	—	—	—	1·3	0·8	0·2	0·3
Aerospace (including air cushion vehicles)	281·7	113·2	86·4	82·2	281·7	113·2	86·4	82·1	—	—	—	—	—	—	—	—
Metal goods not elsewhere specified	10·2	6·2	1·8	2·2	9·0	5·5	1·6	1·9	0·9	0·6	0·1	0·2	0·3	0·1	—	0·1
Textile and man-made fibres	24·1	15·0	4·1	5·1	22·5	13·9	3·9	4·7	—	—	—	—	1·6	1·0	0·1	0·4
Leather, leather goods, fur, clothing and footwear	1·6	1·1	0·1	0·3	0·7	0·5	0·1	0·1	—	—	—	—	0·9	0·6	—	0·3
Building materials and abrasives	6·2	4·1	0·9	1·2	5·8	4·0	0·8	1·0	0·1	—	—	—	0·3	0·1	—	0·1
Pottery, china and glass	9·5	6·0	2·0	1·5	9·0	5·7	2·0	1·3	—	—	—	—	0·5	0·3	—	0·2
Timber and furniture	1·4	0·8	0·3	0·3	0·6	0·3	0·2	0·1	—	—	—	—	0·8	0·5	0·1	0·2
Paper, paper products and publishing	7·4	4·7	1·1	1·6	6·7	4·3	1·0	1·3	0·1	—	—	—	0·7	0·4	—	0·2
Rubber and rubber goods	8·8	5·5	1·1	2·2	7·8	4·7	1·0	2·0	—	—	—	—	1·0	0·7	0·1	0·3
Other manufactures	8·1	5·1	1·2	1·8	7·7	4·9	1·1	1·7	0·1	0·1	—	—	0·2	0·1	—	0·1
Construction[2]	6·0	3·3	0·8	2·0	2·2	1·3	0·4	0·5	0·3	0·1	0·1	0·1	3·5	1·8	0·3	1·4
Utilities and services[3]	32·1	18·3	6·4	7·3	5·0	3·0	0·8	1·1	22·7	12·3	5·2	5·2	4·4	3·0	0·5	1·0

Source: Department of Industry

[1] Mining and quarrying products, petroleum and natural gas exploration and extraction.
[2] The figures for this product group do not include the sums for the appreciable development work undertaken on sites: particularly work undertaken in civil engineering.
[3] Gas, electricity, water, railway, road, sea and air transport systems, industrial health and safety, etc.

Current expenditure on research and development carried out within private industry, public corporations and research associations: analysis by type of work – 1975

TABLE 14

£ million

Product group	All industry				Private industry				Public corporations				Research associations			
	Total	Basic	Applied	Development	Total	Basic	Applied	Development	Total	Basic	Applied	Development	Total	Basic	Applied	Development
All product groups	1,239·6	41·4	315·0	883·2	1,103·0	38·2	239·7	825·1	108·2	1·0	58·1	49·2	28·4	2·3	17·2	8·8
Mining and quarrying[1]	5·1	0·2	2·0	2·8	4·5	0·2	1·9	2·4	0·6	—	0·1	0·4	—	—	—	—
Manufactures: Total	1,196·4	40·4	295·7	860·3	1,091·3	37·6	236·1	817·6	84·7	0·9	47·4	36·5	20·4	1·9	12·2	6·3
Food, drink, tobacco	43·0	3·3	19·7	20·0	41·3	2·6	19·0	19·8	0·1	—	—	0·1	1·6	0·7	0·7	0·2
Chemical and allied products: Total	213·4	116·6		96·8	206·6	111·9		94·7	4·7	—	2·9	1·8	2·2	0·5	1·3	0·4
Petroleum products	14·9	5·5		9·4	14·9	5·5		9·4	—	—	—	—	—	—	—	—
Pharmaceutical products	66·3	4·6	36·5	25·2	66·3	4·6	36·5	25·2	—	—	—	—	—	—	—	—
Paint	7·0	0·2	2·1	4·7	6·7	0·1	1·9	4·7	—	—	—	—	0·3	0·1	0·2	0·1
Synthetic rubber, resins and plastic materials	23·8	1·8	10·4	11·6	22·8	1·8	9·5	11·4	0·1	—	—	0·1	1·0	—	0·9	0·1
Other chemicals	101·4	6·9	48·6	45·9	95·9	6·5	45·5	43·9	4·6	—	2·9	1·7	0·9	0·4	0·3	0·2
Iron and steel	21·8	14·8		6·9	3·3	0·5		2·8	17·6	—	13·6	4·0	0·9	—	0·7	0·2
Non-ferrous metals	7·5	0·6	3·2	3·6	6·0	0·5	2·7	2·9	0·3	—	0·2	0·1	1·2	0·1	0·4	0·7
Mechanical engineering: Total	95·6	38·2		57·4	67·4	18·5		48·9	26·1	0·6	17·9	7·5	2·1	—	1·1	1·0
Metal-working machine tools	5·1	—	1·2	3·9	3·9	—	0·6	3·2	—	—	—	—	1·2	—	0·6	0·6
Textile machinery	3·4	0·6		2·8	3·3	0·5		2·8	—	—	—	—	0·2	—	0·1	0·1
Mechanical handling and contractors' plant	7·1	—	0·8	6·3	5·2	—	0·4	4·8	1·8	—	0·4	1·5	—	—	—	—
Industrial plant and steelwork	23·8	0·6	16·4	6·8	7·0	—	1·8	5·2	16·2	0·6	14·3	1·3	0·6	—	0·3	0·3
Other machinery and equipment	56·2	0·4	18·2	37·6	48·0	0·4	14·7	32·9	8·0	—	3·3	4·7	0·2	—	0·2	—
Scientific instruments and systems	24·5	0·8	6·7	17·0	20·2	0·7	4·4	15·1	3·4	0·1	1·8	1·6	0·9	—	0·6	0·3
Electrical engineering: Total	331·6	56·3		275·3	298·3	44·3		254·0	31·4	0·2	10·6	20·6	1·9	0·2	1·0	0·7
Electronic computers	46·7	0·1	1·6	45·1	46·1	0·1	1·5	44·6	0·4	—	—	0·3	0·2	—	0·1	0·2
Electronic components and apparatus including telecommunications	217·3	2·7	33·7	180·9	191·2	2·6	26·8	161·8	25·8	0·1	6·7	19·0	0·2	—	0·1	0·1
Electrical machinery	31·6	0·3	5·7	25·6	26·9	—	2·4	24·4	3·4	0·1	2·6	0·8	1·3	0·2	0·7	0·4
Insulated wires and cables	10·1	0·1	4·5	5·6	8·3	—	3·2	5·1	1·7	—	1·2	0·4	0·2	—	0·1	0·1
Domestic appliances	6·3	—	0·7	5·6	6·1	—	0·6	5·5	0·1	—	—	0·1	—	—	—	—
Miscellaneous electrical goods	19·7	7·0		12·6	19·7	7·0		12·6	—	—	—	—	—	—	—	—
Ships and marine engines	15·7	0·6	6·5	8·6	13·7	0·6	4·6	8·4	—	—	—	—	2·0	—	1·8	0·2
Motor vehicles	84·4	15·4		69·0	83·1	14·4		68·7	—	—	—	—	1·3	—	1·0	0·3
Aerospace (including air cushion vehicles)	281·7	4·7	21·8	255·2	281·7	4·7	21·8	255·1	—	—	—	—	—	—	—	—
Metal goods not elsewhere specified	10·2	0·1	3·6	6·5	9·0	0·1	2·9	6·0	0·9	—	0·4	0·5	0·3	—	0·2	—
Textiles and man-made fibres	24·1	1·2	5·3	17·6	22·5	1·1	4·4	17·0	—	—	—	—	1·6	0·1	0·9	0·6
Leather, leather goods, fur, clothing and footwear	1·6	—	0·2	1·4	0·7	—	0·1	0·6	—	—	—	—	0·9	—	0·1	0·8
Building materials and abrasives	6·2	0·2	2·4	3·6	5·8	0·2	2·1	3·5	0·1	—	—	0·1	0·3	—	0·2	—
Pottery, china and glass	9·5	4·6		4·9	9·0	4·1		4·8	—	—	—	—	0·5	—	0·5	—
Timber and furniture	1·4	0·3		1·1	0·6	0·1		0·5	—	—	—	—	0·8	—	0·2	0·6
Paper, paper products and publishing	7·4	0·4	1·9	5·0	6·7	0·4	1·3	4·9	0·1	—	—	0·1	0·7	—	0·6	0·1
Rubber and rubber goods	8·8	0·3	3·8	4·7	7·8	0·2	3·2	4·4	—	—	—	—	1·0	0·1	0·6	0·3
Other manufactures	8·1	0·4	2·1	5·6	7·7	0·4	1·9	5·5	0·1	—	—	0·1	0·2	—	0·2	—
Construction[2]	6·0	0·4	2·8	2·8	2·2	0·2	0·7	1·3	0·3	—	0·2	0·1	3·5	0·2	1·9	1·4
Utilities and services[3]	32·1	0·4	14·4	17·2	5·0	0·1	1·0	3·8	22·7	0·1	10·4	12·2	4·4	0·2	3·1	1·2

[1] Mining and quarrying products, petroleum and natural gas exploration and extraction.

[2] The figures for this product group do not include the sums for the appreciable development work undertaken on sites; particularly work undertaken in civil engineering.

[3] Gas, electricity, water, railway, road, sea and air transport systems, industrial health and safety, etc.

Source: Department of Industry.

Occupational groupings of employment on industrial research and development at 31 December, 1975

TABLE 15

Thousands

Product group	Total Employment				Scientists and engineers				Technicians, laboratory assistants and draughtsmen				Administrative, clerical and other staff			
	Total	Private industry	Public corporations	Research associations	Total	Private industry	Public corporations	Research associations	Total	Private industry	Public corporations	Research associations	Total	Private industry	Public corporations	Research associations
All product groups	180·6	161·8	13·3	5·5	61·7	53·2	6·4	2·0	61·2	55·6	3·9	1·7	57·8	52·9	3·1	1·8
Mining and quarrying	1·0	0·7	0·2	—	0·3	0·2	0·1	—	0·4	0·3	0·1	—	0·2	0·2	—	—
Manufactures: Total	174·6	160·0	10·4	4·1	59·2	52·6	5·0	1·6	59·2	55·0	2·9	1·3	56·2	52·4	2·5	1·2
Food, drink, tobacco	7·3	6·8	—	0·4	2·2	2·0	—	0·2	3·3	3·1	—	0·2	1·8	1·7	—	0·1
Chemical and allied products: Total	32·2	31·0	0·7	0·5	11·7	11·2	0·3	0·2	13·1	12·8	0·1	0·1	7·5	7·1	0·2	0·2
Petroleum products	2·0	2·0	—	—	0·6	0·6	—	—	0·5	0·5	—	—	0·8	0·8	—	—
Pharmaceutical products	10·1	10·1	—	—	3·9	3·9	—	—	3·5	3·5	—	—	2·8	2·8	—	—
Paint	1·6	1·5	—	0·1	0·5	0·5	—	—	0·8	0·8	—	—	0·3	0·2	—	—
Synthetic rubber, resins and plastic materials	3·7	3·5	—	0·2	1·4	1·3	—	0·1	1·6	1·6	—	—	0·8	0·7	—	0·1
Other chemicals	14·8	13·9	0·7	0·2	5·3	4·9	0·3	0·1	6·7	6·5	0·1	0·1	2·8	2·5	0·2	—
Iron and steel	3·3	0·6	2·5	0·2	1·4	0·2	1·1	0·1	1·0	0·2	0·8	0·1	0·8	0·1	0·6	0·1
Non-ferrous metals	1·2	0·9	—	0·2	0·5	0·4	—	0·1	0·4	0·3	—	0·1	0·3	0·2	—	0·1
Mechanical engineering: Total	13·9	10·5	3·0	0·4	4·6	3·1	1·3	0·1	5·3	4·5	0·7	0·1	4·0	2·9	1·0	0·1
Metal-working machine tools	0·9	0·7	—	0·2	0·3	0·2	—	0·1	0·3	0·3	—	0·1	0·2	0·2	—	0·1
Textile machinery	0·8	0·7	—	0·1	0·2	0·2	—	—	0·4	0·4	—	—	0·2	0·1	—	—
Mechanical handling and contractors' plant	1·1	0·9	0·2	—	0·3	0·2	0·1	—	0·3	0·3	0·1	—	0·4	0·3	—	—
Industrial plant and steelwork	3·1	1·2	1·8	0·1	1·3	0·5	0·8	—	1·0	0·5	0·5	0·1	1·0	0·4	0·5	—
Other machinery and equipment	8·0	7·1	0·9	—	2·5	2·1	0·4	—	3·2	3·1	0·1	—	2·3	1·9	0·4	—
Scientific instruments and systems	3·6	3·0	0·3	0·2	1·4	1·2	0·2	0·1	1·3	1·2	0·1	0·1	0·8	0·6	0·1	0·1
Electrical engineering: Total	47·9	43·9	3·7	0·3	18·0	15·9	1·9	0·1	15·0	13·6	1·2	0·1	15·0	14·3	0·6	0·1
Electronic computers	6·1	6·0	—	—	2·0	2·0	—	—	0·8	0·7	—	—	3·4	3·3	—	—
Electrionc components and apparatus including telecommunications	31·7	28·6	3·1	—	12·2	10·5	1·7	—	10·5	9·5	1·1	—	9·0	8·6	0·4	—
Electrical machinery	4·6	4·0	0·4	0·2	1·6	1·3	0·2	0·1	1·7	1·5	0·1	0·1	1·4	1·2	0·1	0·1
Domestic appliances	1·1	1·1	—	—	0·4	0·4	—	—	0·4	0·4	—	—	0·3	0·3	—	—
Miscellaneous electrical goods	4·3	4·1	0·2	—	1·8	1·7	0·1	—	1·5	1·5	0·1	—	1·0	0·9	0·1	—
Ships and marine engines	1·6	1·3	—	0·3	0·7	0·6	—	0·1	0·5	0·4	—	0·1	0·4	0·3	—	0·1
Motor vehicles	14·7	14·4	—	0·2	4·0	3·9	—	0·1	3·9	3·9	—	0·1	6·7	6·6	—	0·1
Aerospace (including air cushion vehicles)	35·2	35·2	—	—	9·7	9·7	—	—	10·0	10·0	—	—	15·4	15·4	—	—
Metal goods not elsewhere specified	1·8	1·6	0·1	—	0·7	0·6	0·1	—	0·6	0·6	—	—	0·5	0·4	—	—
Textiles and man-made fibres	4·3	3·9	—	0·4	1·3	1·1	—	0·2	1·8	1·7	—	0·1	1·2	1·1	—	0·1
Leather, leather goods, fur, clothing and footwear	0·4	0·2	—	0·2	0·1	—	—	—	0·2	0·1	—	0·1	0·1	—	—	0·1
Building materials and abrasives	1·3	1·2	—	—	0·5	0·4	—	—	0·5	0·5	—	—	0·3	0·3	—	—
Pottery, china and glass	1·4	1·3	—	0·1	0·7	0·6	—	0·1	0·4	0·3	—	—	0·4	0·4	—	—
Timber and furniture	0·2	0·1	—	0·1	0·1	—	—	0·1	0·1	—	—	—	0·1	—	—	—
Paper, paper products and publishing	1·3	1·2	—	0·1	0·6	0·5	—	0·1	0·5	0·5	—	—	0·3	0·2	—	—
Rubber and rubber goods	1·5	1·3	—	0·2	0·5	0·5	—	0·1	0·7	0·6	—	0·1	0·3	0·2	—	—
Other manufactures	1·6	1·5	—	0·1	0·6	0·5	—	—	0·6	0·6	—	—	0·4	0·4	—	—
Construction	1·0	0·4	—	0·6	0·3	0·1	—	0·2	0·3	0·1	—	0·2	0·3	0·1	—	0·2
Utilities and services	4·1	0·7	2·7	0·8	1·8	0·3	1·3	0·3	1·2	0·2	0·8	0·2	1·1	0·3	0·5	0·3

Source: Department of Industry

United Kingdom industrial intra-mural[1] expenditure on research and development at current and constant prices and implied deflators

TABLE 16

	1964	1966	1967	1968	1969	1972	1975
	£ million						
Expenditure at current prices	488·6	580·4	604·5	638·7	680·3	830·5	1,340·1
Expenditure at 1975 prices	1,400·1	1,504·4	1,514·1	1,506·3	1,512·9	1,417·6	1,340·1
	Index numbers: 1975 = 100						
Implied price deflators	34·9	38·6	39·9	42·4	45·0	58·6	100·0

Source: Department of Industry

[1] Work carried out within industry itself (i.e. excluding work contracted out to other sectors, e.g. government establishments).

United Kingdom industrial intra-mural expenditure on research and development at 1975 prices, by manufacturing industry

TABLE 17

	£ million						
	1964	1966	1967	1968	1969	1972	1975
Chemical & allied industries	196	218	216	223	236	231	245
Mechanical engineering	115	155	154	148	133	94	103
Electronics	222	288	285	297	308	302	279
Other electrical engineering	82	93	92	91	85	68	73
Motor vehicles	100	120	113	106	112	97	88
Aerospace	390	331	356	354	351	366	292
Other manufacturing	260	274	272	265	266	219	213
Total manufacturing	1,365	1,478	1,488	1,485	1,491	1,376	1,293

Source: Department of Industry

Overseas technological royalty transactions

TABLE 18

	£ million							
	Receipts				Expenditure			
	1974	1975	1976	1977	1974	1975	1976	1977
Overseas technological royalty transactions – Estimates for all businesses (excluding oil companies)								
Transactions with:								
Related overseas concerns	64·4	70·6	95·6	107·7	110·8	141·9	168·6	203·4
Unrelated overseas concerns	134·3	151·2	237·2	254·5	65·8	76·0	95·7	93·1
All overseas concerns	198·7	221·8	332·8	362·2	176·7	217·9	264·3	296·5

Source: Department of Trade.

TABLE 19

	£ million							
	Receipts				Expenditure			
	1974	1975	1976	1977	1974	1975	1976	1977
Overseas technological royalty transactions – Analysis of returns received by area or country								
Total Developed Countries	112·92	160·41	196 38	219·39	147·99	187·10	220·14	246·50
Western Europe[1]	37·90	54·54	75·82	78·99	32·01	43·91	55·45	52·89
EEC	31·52	41·27	55·51	58·27	17·87	26·66	33·22	30·67
of which Denmark	0·49	0·91	1·13	1·05	..	2·56	4·71	2·23
France	7·50	12·61	16·89	18·42	4·75	9·87	11·40	12·59
W. Germany	9·66	11·39	15·48	15·31	2·89	4·42	6·10	5·89
Italy	6·22	7·51	10·09	9·40	2·14	2·20	2·68	3·24
Netherlands	2·50	3·67	4·55	5·89	5·30	5·90	6·07	4·81
EFTA	5·69	6·56	10·43	11·04	14·09	16·75	21·38	21·77
of which Sweden	1·68	2·04	3·50	4·64	1·16	1·93	1·43	2·00
Switzerland	1·15	1·93	2·60	2·83	12·63	14·24	19·38	19·08
Australia	8·52	12·43	14·51	13·10	0·17	0·26	0·46	0·74
Canada	3·90	7·06	7·45	8·80	0·47	0·75	0·45	0·67
Japan	16·93	22·33	30·49	37·44	0·75	0·45	0·88	0·88
New Zealand	..	1·91	2·41	3·37	..	0·12	0·03	0·01
South Africa	..	9·06	11·57	11·12	..	0·07	0·06	0·17
USA	31·63	48·03	61·84	72·38	112·94	138·25	163·19	191·48
Total Developing Countries[2]	27·04	32·43	69·46	75·33	1·36	1·62	10·06	11·49
of which Caribbean, Central and S. America ..	..	6·44	7·87	8·29	..	0·56	0·52	0·58
World technological and mineral rights	139·96	192·84	265·84	294·72	149·35	188·72	230·20	257·99

Source: Department of Trade.

[1] Including other Western European countries; Cyprus, Gibraltar, Greece, Malta, Spain, Turkey, Yugoslavia, W. European countries, not separately designated.
[2] As defined by OECD but excluding Portugal, USSR and Eastern European centrally planned economies, but including other Western European countries.

TABLE 20

	£ million							
	Receipts				Expenditure			
	1974	1975	1976	1977	1974	1975	1976	1977
Overseas technological royalty transactions – Analysis of returns received by type of industry								
Manufacturing industry	125·99	163·20	229·39	244·50	145·22	178·77	216·19	241·17
of which								
Chemical and allied industries	45·50	47·54	60·72	58·71	28·24	34·60	45·22	46·96
Mechanical and instrument engineering ..	15·92	19·37	23·73	40·29	28·47	34·67	41·44	56·01
Electrical engineering	13·86	29·74	34·34	40·94	40·67	53·67	60·54	71·71
Other	50·71	66·55	110·60	104·56	47·84	55·83	68·99	66·49
Total non-manufacturing industry	13·97	29·64	36·45	50·22	4·12	9·95	14·01	16·82
World technological and mineral rights	139·96	192·84	265·84	294·72	149·35	188·72	230·20	257·99

Source: Department of Trade.

Capital gains: a survey of holding periods

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1. INTRODUCTION

This article sets out to present the results of a sample survey carried out in 1975 primarily to obtain data on holding periods of capital assets which could be used to estimate the effect on the yield of capital gains tax of various possible reliefs.

The layout of the article is as follows:
Section 2 gives a brief description of capital gains tax law and administration which is essential to the understanding of the survey. (More detailed notes on capital gains taxation are given in Annex C). Section 3 then presents the results in tabular and graphical form and provides a limited commentary on these results. (A detailed description of the survey is given in Annex A and detailed tabulations in Annex B).

2. CAPITAL GAINS TAX

Annex C gives a detailed description of capital gains tax (CGT) as it applied up to 1975. This section describes the more important features.

The tax was introduced in 1965 with effect from Budget Day (6 April). It is a flat-rate tax of 30 per cent chargeable on gains realised on the disposal of chargeable assets, though for small gains an alternative basis of assessment was used which reduced the effective rate to below 30 per cent.

Chargeable gains are the difference between the cost price (or acquisition value) and the proceeds of disposal (or value on disposal), after allowing for the expenses of sale and purchase. However, gains on assets which were disposed of after 1965 Budget Day but which had been held on Budget Day may be calculated by reference to their Budget Day value rather than their cost price, and this is compulsory for quoted shares and land with development value. Gains realised on disposal of certain types of property, mainly business assets, are not charged to CGT provided the proceeds are re-invested in similar assets. Losses incurred on the disposal of assets are allowable to the extent that they would be chargeable if they were gains. They are set against gains arising in the same year, and any balance may be carried forward indefinitely to be set against any future gains.

Not all assets are chargeable to CGT. Chattels worth less than £1,000 on disposal are exempt, and there are specific exemptions for particular types of asset, e.g. motor cars, owner-occupied houses, and gilt-edged securities held for more than twelve months. The vast majority of chargeable gains are in company securities and in non-owner-occupied land and buildings. In addition, there have been various *de minimis* exemption levels, based either on total gains realised in a year, or on the total value of disposals in a year.

Individuals and trustees are liable to CGT on their gains, but companies are not. (Companies pay, in effect, a reduced rate of corporation tax on their chargeable gains.)

3. THE SURVEY AND ITS RESULTS

Inland Revenue Statistics Division have monitored CGT since its introduction, by computer processing of the working sheets which are used in tax offices to prepare the assessments. The working sheets in 1975 were similar to the assessment sheets and showed only the statutory information required to validate the assessment, comprising basically the amount of the gain and the computation of the tax. No information regarding the type of disposal, the proceeds, or the length of period for which the asset had been held, was available on these documents.

In order to provide information concerning the holding periods of assets prior to disposal, it was therefore necessary to mount a special survey within tax offices, so that files could be examined and the necessary information extracted. A detailed note of the survey methodology is given in Annex A.

The survey was mounted as part of the review of ways in which to alleviate the effects of inflation on CGT, as described by the Chancellor of the Exchequer in his Budget speech in April 1975 in the context of the taxation of gains in money terms in a period of rapid inflation. A discussion document[1] was issued by the Inland Revenue in October 1977 and there was considerable debate on the various techniques which could be used to achieve the desired objective, the two principal ones being full 'indexation' (i.e. adjustment of acquisition cost using an index such as the index of retail prices), and a scaling-down of the gain depending upon the length of ownership of the asset ('taper relief'). Both of these schemes had drawbacks of varying kinds, and neither was put into effect. Instead, the 1978 Finance Act introduced wide-ranging new exemptions, effective from 1977/78, which were expected to reduce the total number of assessments by almost a half.

Quite apart from its original purpose, however, the survey results provide, for the United Kingdom at least, a unique insight into investors' behaviour. It is not the purpose of this article to analyse this behaviour, but rather to present the results with an appropriate commentary.

General characteristics of the survey data on assessments

The main purpose of the survey – to obtain information on the holding periods of assets – required that data be obtained on each disposal (or part-disposal) of an asset. It is convenient, however, to begin a general description of the survey results at a higher level of aggregation.

Annex A provides a detailed description of the survey, which comprised two separate strata: a random sample of all assessments and a separate sample of assessments over £20,000. In the remainder of the article the terms 'sample case' and 'large case' are used to describe the two groups.

Of the 822 sample cases and 340 large cases which were surveyed, a few were subsequently excluded from the survey analyses, in particular:

i when an assessment had been reduced to nil (because it revealed no net chargeable gain); and

ii when the categories of assets disposed of were not known.

These exclusions reduced the numbers of assessments in the survey to 786 sample cases and 327 large cases. A further 79 sample cases and 42 large cases, which contained incomplete information on disposal proceeds, are excluded from the analyses in this section.

Because of the time lag between the disposal of assets and the assessment of gains, these assessments covered asset disposals over a number of years prior to 1975, as shown in Table A.

Number of assessments and net chargeable gains in the survey, by year of disposal

TABLE A

Year of disposal	Number of assessments	Net chargeable gains (£ thousands)
	Sample cases	
1968/69	7	3·7
1969/70	10	94·7
1970/71	18	32·3
1971/72	58	192·5
1972/73	170	1,240·7
1973/74	390	1,236·3
1974/75	54	207·1
Total	707	3,007·4
	Large cases	
1968/69	1	35·0
1969/70	3	266·8
1970/71	7	766·3
1971/72	18	769·9
1972/73	90	5,382·6
1973/74	158	9,676·4
1974/75	8	412·8
Total	285	17,309·9

For some purposes this is convenient, since it means that a survey of CGT assessments made in a single period of time can be used to study asset disposals over a much longer period, of up to seven years. For company shares in particular, the years 1968–1975 included a very wide variety of market conditions: the Financial Times-Actuaries All Share Index (10 April 1962 = 100), on an average monthly basis, rose from 144 in April 1968 to 177 in January 1969, fell to 122 by June 1970, rose to 224 by May 1972, fell steeply to 72 by November 1974 and recovered to 124 by March 1975. Conditions fluctuated somewhat less in the property market, but the period included the 'property boom' of the early 1970s when an index of building land prices rose from 100 in 1970 to 302 in the second half of 1973.

The survey distinguished between assessments made on trustees and those made on individuals, and within the latter group between taxpayers under 65 and those aged 65 or over. The number of cases and mean net chargeable gains in these different categories are shown in Table B. In the figures for the sample there is some suggestion that mean net chargeable gains were higher for assessments on trustees than for those on individuals, and higher for assessments on individuals under 65 than for those on individuals aged 65 or over. However the differences are small and not statistically significant, as may be seen from the standard errors in the table. In general, the sample proved too small to detect significant differences between assessments according to the status and age of the taxpayer.

Number of assessments and net chargeable gains in the survey, by status and age of the taxpaper

TABLE B

Status and age of taxpayer	Number of assessments	Net chargeable gain (£)	
		Mean	Standard error
	Sample cases		
Trustees	56	4,513	1,614
Individuals			
Under 65	487	4,339	767
65 or over	155	3,925	1,115
Age not known	9	3,708	842
	Large cases		
Trustees	35	84,876	12,302
Individuals			
Under 65	198	58,697	8,950
65 or over	47	55,419	17,583
Age not known	5	22,498	1,377

To arrive at the net chargeable gain figures which have been the focus of attention so far, each taxpayer is able to deduct net losses brought forward from earlier years from his net gains in a particular year of disposal. As a result, net *chargeable* gains were rather lower than net gains on disposals covered by the survey, by 1·2 per cent in the sample cases. Table C shows the number of cases in the survey containing net losses brought forward from earlier years, and the mean loss brought forward in these cases.

Assessments containing losses brought forward from earlier years

TABLE C

Year of disposal	Number of assessments	Proportion of the total number of assessments Within year (Percentage)	Mean loss brought forward in these cases (£)
	Sample cases		
1968/69	1	14·3	606
1969/70	3	30·0	323
1970/71	1	5·6	253
1971/72	9	15·5	825
1972/73	10	5·9	1,034
1973/74	41	10·5	363
1974/75	5	9·3	219
Total	70	9·9	508
	Large cases		
1968/69	—	—	—
1969/70	1	33·3	2,968
1970/71	—	—	—
1971/72	2	11·1	9,108
1972/73	9	10·0	3,190
1973/74	14	8·9	2,856
1974/75	—	—	—
Total	26	9·1	3,457

As shown in Table C, about one-tenth of the sample assessments (and a similar proportion of large cases) were reduced by net losses brought forward. It is perhaps surprising that this proportion did not vary more dramatically between the different years of disposal, despite the wide variations in market conditions described above.

From assessments to disposals

The wide variation in assessed gains, which can be seen from Table A1 in Annex A, is the product of several factors. First, there is obviously a wide variation in the gain made by taxpayers on each disposal or part-disposal of an asset.

Secondly, assessments vary widely in the number of disposals which they cover. This section presents some data on the second source of variation in net chargeable gain. (In these analyses the 79 sample and 42 large cases with incomplete information on disposal proceeds have been included.)

The variation in the number of asset disposals covered by each assessment is shown in Table D.

Number of assessments in the survey by number of disposals covered

TABLE D

Number of disposals	Trustees	Individuals: Under 65	Individuals: 65 or over	Individuals: Age not known	Total
	Sample cases				
1	29	306	77	10	422
2	6	65	11	—	82
3	9	34	17	—	60
4	8	25	6	—	39
5	4	10	3	—	17
6	1	14	3	—	18
7	—	12	5	—	17
8	—	7	3	—	10
9	—	13	3	—	16
10	2	10	4	—	16
11–15	2	21	13	1	37
16–20	1	11	3	—	15
21–25	—	7	2	—	9
26–50	2	8	4	—	14
51–100	—	3	1	—	4
over 100	—	—	—	—	—
Total	64	546	165	11	786
	Large cases				
1	19	130	29	5	183
2	5	16	3	—	24
3	—	14	—	—	14
4	—	8	5	—	13
5	2	6	1	—	9
6	1	6	1	—	8
7	—	1	—	—	1
8	—	5	—	—	5
9	—	6	1	—	7
10	1	2	3	—	6
11–15	5	16	2	—	23
16–20	1	8	2	1	12
21–25	—	7	—	—	7
26–50	3	3	5	—	11
51–100	2	1	—	—	3
over 100	—	1	—	—	1
Total	39	230	52	6	327

In both the sample and the large cases, slightly more than one-half of all assessments covered only one disposal; but 10 per cent of the sample cases (and 17 per cent of the large cases) covered more than 10 disposals with one large case covering no fewer than 111.

Since the main focus of attention was the holding period of assets the survey recorded, for each disposal, the calendar year in which the asset had been acquired (where this was known). In some cases, however, an asset is assumed for tax purposes to have been acquired over a period of years – for example when shares are sold from a homogeneous group built up by the taxpayer over a period (often, though not always, by taking up rights issues). These 'pools' pose a problem for schemes to index or taper capital gains tax[1] and the survey collected some limited information about the magnitude of the problem. Specifically, where a disposal or part-disposal was made from an asset holding of which at least 5 per cent had been acquired in a different calendar year from the remainder, the survey divided the disposal, in fractions of one-tenth or more, into separate 'sub-disposals' each with its own year of acquisition. Table E shows, for each age/status group covered by the survey, the distribution of disposals by the number of sub-disposals defined in this way.

Number of disposals in the survey, by number of 'sub-disposals' covered

TABLE E

Number of sub-disposals	Trustees	Individuals: Under 65	Individuals: 65 or over	Individuals: Age not known	Total
	Sample cases				
2	4	59	35	1	99
3	—	10	5	—	15
4	—	3	1	—	4
5	—	1	1	—	2
6	—	—	—	—	—
7	—	—	—	—	—
8	—	1	—	—	1
Total	4	74	42	1	121
Total number of disposals	261	2,296	812	13	3,391
Proportion of 'pools' (Percentage)	*1·5*	*3·2*	*5·2*	*7·7*	*3·6*
	Large cases				
2	10	57	7	1	75
3	—	8	1	—	9
4	—	7	—	—	7
5	—	—	—	—	—
6	—	—	—	—	—
7	—	—	—	—	—
8	—	—	—	—	—
Total	10	72	8	1	91
Total number of disposals	346	1,193	342	22	1,903
Proportion of 'Pools' (Percentage)	*2·9*	*6·0*	*2·3*	*4·5*	*4·8*

Table E suggests that only 3·6 per cent of disposals are from 'pools'. This figure from the systematic sample may however be biased downwards, for two reasons. First, as noted above, no 'sub-disposals' were counted when less than 5 per cent of an asset holding had been acquired in a different calendar year from the remainder, or when a pool had been built up in a single calendar year. Secondly, and perhaps more seriously, 'sub-disposals' were only counted when information on holding periods was available; but, as will be described later, there were a significant number of cases in the survey where this information could not be obtained.

In total, the systematic sample provided information on 3,547 disposals or sub-disposals, and the large cases provided information on a further 2,017.

Holding periods

For most of these disposals or sub-disposals the exact calendar year of acquisition of the asset was recorded in the survey. But in some cases all that was known was that the asset had been held at some specific date (generally, though not always, Budget Day 1965 when CGT came into operation); and in a few cases, no information at all was obtained about the holding period of the asset.

FIGURE A

Distribution of holding periods of gains in the sample: Individuals; Company shares and securities

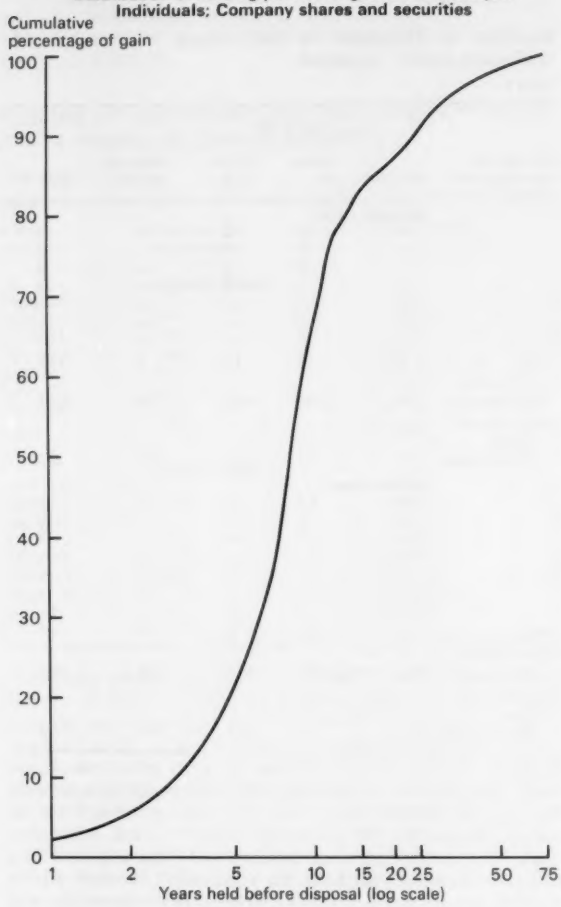
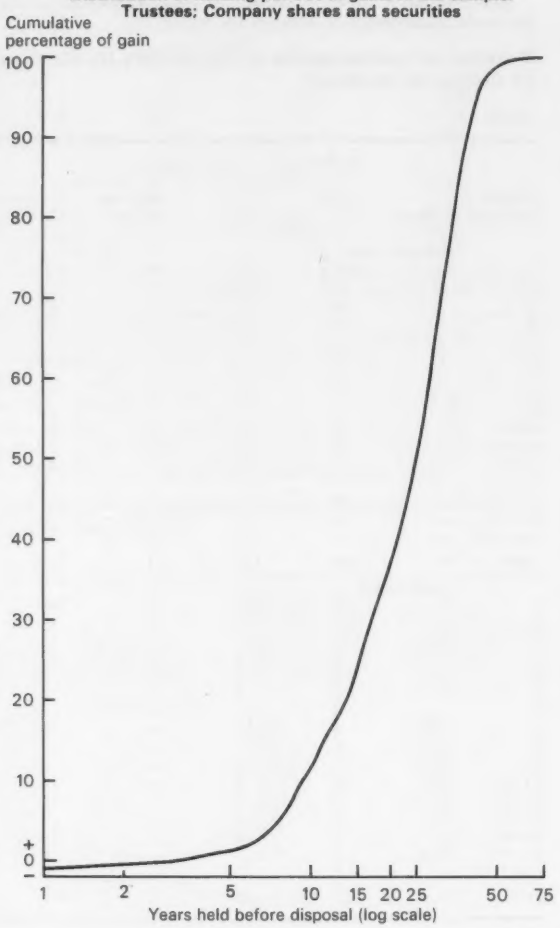


FIGURE B

Distribution of holding periods of gains in the sample: Trustees; Company shares and securities



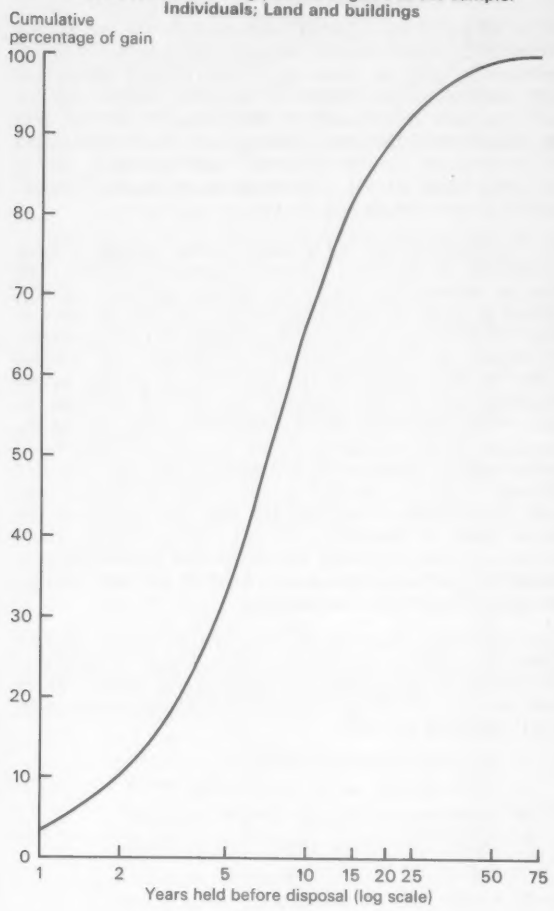
Annex B contains a number of tables giving detailed analyses from the survey relating to holding periods, categories of asset, and status of taxpayer.

In analysing the information on holding periods yielded by the survey, two main methods of approach have been adopted. The first is to construct a matrix of the survey disposals or gains for each category of asset, by year of acquisition and year of disposal, and then to construct a statistical model of asset disposal or gain realisation which will fit this observed matrix. A report of an analysis along these lines is contained in another paper by one of the present authors[2]. The second approach, which is reported in this article, is simply to study the distribution of holding periods for asset disposals included in the survey.

At the time of the survey the principal focus of attention was the distribution of *gains* by holding period, for different categories of asset. These distributions for the sample cases have been obtained using the assumption that the distribution of holding periods for gains on assets held for a *minimum* of a specific number of years was identical to that for gains on assets held for *at least* that number of years in those cases where the exact holding period was known.

FIGURE C

Distribution of holding periods of gains in the sample: Individuals; Land and buildings



The distributions yielded by this process of amalgamation were then smoothed. The smoothed distributions for the sample gains of individuals and trustees in company shares and securities, and of individuals in land and property, are shown in Figures A, B and C. These figures show, for example, that 50 per cent of the realised gains of individuals in company shares and securities are in shares and securities disposed of within eight years of acquisitions.

The same procedure was followed for the large cases in the survey, and then weighted mean holding periods were calculated from the smoothed distributions of gain holding periods. These weighted mean holding periods, shown in Table F, are of particular importance in considering the impact of any indexation of capital gains tax.

Mean holding periods of assets in the survey weighted by net gains

TABLE F

Category of asset	Years	
	Individuals	Trustees
	Sample cases	
Company shares and securities	11·6	26·7
Land and buildings	10·0	9·8
All assets	10·2	16·5
	Large cases	
Company shares and securities	12·6	14·0
Land and buildings	13·1	16·2
All assets	12·8	10·1

These findings must however be interpreted with caution. In the first place it must be emphasised that the mean holding periods in Table F are *weighted by nominal gain*. Unweighted mean holding periods for asset disposals, or mean holding periods weighted by disposal proceeds, would generally be somewhat lower[3]. For example, the mean holding period of company shares and securities for individuals is 11·6 years when weighted by net gains (see Table F), but only 5·8 years when unweighted. Secondly, the findings are specific to the population of assessments covered by the sample, which may not have been typical of the normal pattern insofar as it included a high proportion of disposals of land and buildings made during the property boom of the early 1970s.

Despite the qualifications made in the preceding paragraph, two points emerge rather clearly from this analysis. First, in the sample cases, trustees are very much less active than individuals in the market for company securities. This finding is in line with *a priori* expectations. More surprising, perhaps, is the suggestion that mean holding periods for land and buildings are rather *lower* in the sample cases than those for company shares and securities.

Clearly, there is a great deal more to be learned about the pattern of asset disposals by individuals and trustees which generates CGT revenues. The analyses presented in this article are merely a step towards a more complete understanding of this pattern.

[1] 'Capital Gains Tax: Tapering Relief', Board of Inland Revenue discussion document, 5 October 1977.
[2] J R KING, *Realisations and Accruals of Capital Gains (with particular reference to Company Securities)*, Government Economic Service Working Paper No. 15, November 1978.
[3] J R KING, op cit, p18.

ANNEX A

DESCRIPTION OF THE SURVEY

Structure of the sample

Each year about 300,000 assessments to CGT are made in the 770 tax offices throughout the United Kingdom. In addition, some small gains are not formally assessed but the tax liabilities are settled by inclusion in, for example, a Schedule D assessment form. Again, there are individuals and trustees who make chargeable disposals in the year but who have no liability to CGT because of losses brought forward from an earlier year or because of offsetting losses incurred in the same year.

Ideally, the sampling frame for the survey would have included all these cases, since full coverage of all capital disposals known to the department would then have been achieved. However, the only practical sampling frame was the population of assessments actually made. The survey was carried out in the summer of 1975, and it was decided to take a sample of all CGT assessments which had been made since the beginning of the 1975 'Account' on 1 November 1974 until the time of selection about nine months later. The bias arising from the exclusion of disposals which did not give rise to an assessment is not known, but is not thought likely to be serious.

This sampling frame comprised approximately 240,000 assessments, from which it was necessary to devise a suitable sampling scheme which would result in a representative selection of a manageable number of cases. After preliminary tests, it was decided that the most reliable results from a highly specialised survey of this type would be achieved by using a small team of specially trained tax officials to extract the data from the files, rather than by asking the staff of tax offices to provide the information themselves. An initial group of about 60 tax offices was carefully selected from the total of 770 in such a way as to be likely to provide a reasonable cross-section of cases. The factors taken into account in this selection were:

a geographical situation of district;

b types of locality of district (e.g. city centre, urban, rural);

c estimated numbers of CGT assessments made in the relevant period.

From this group was made a final selection of 30 offices in four geographically clustered groups chosen to minimise travelling time and expenses for the survey team.

In each of the selected tax offices, a systematic sample of one in ten assessments was taken. Because of the way in which the assessment sheets are put together, the sample can be assumed to approximate to a random sample within the selected districts. It yielded a total of 947 assessments, but in 125 of these it was not possible, for a number of reasons, to obtain the file necessary for extracting the data. The effective response rate was thus 87 per cent.

Table A1 shows the overall distribution of capital gains, derived from comprehensive assessment data, for disposals in 1972/73 and 1973/74, as assessed up to the end of March 1975. These two years provided the closest approximation to a recent full-year assessment pattern which was available at the time the survey was being undertaken. The table shows the highly skew nature of the distribution: 58·8 per cent of all gains, for example, were made in the top 4·7 per cent of 1972/73 assessments. A systematic sample would not therefore be likely to throw up a high enough number of large assessments to provide a sufficient sample size for analysing such assessments. Furthermore, it was felt that the behaviour of investors making very large gains could well differ from the behaviour of other investors, and a sufficiently large sample of the large cases should be taken in order to test this theory.

It was therefore decided to take a further sample of large assessments in addition to the systematic sample. The criterion chosen for 'large' was purely arbitrary; it was selected in order to provide a suitable number of cases to match the resources available. So, in addition to the systematic sample described above, all assessments over £20,000 in the 30 offices, made in the same period of time as the systematic sample, were selected. This yielded 387 cases, of which 340 (88 per cent) were available for the survey. In the remainder of this article the terms 'sample case' and 'large case' are used to describe the two groups, although of course the large cases are themselves only a sample of their own class. It should be noted that the populations covered by the two parts of the survey are not wholly distinct: 17 of the sample cases contained net chargeable gains exceeding £20,000, and these cases accounted for 41 per cent of total net chargeable gains in the sample.

In each of the 1,162 cases, the file containing the taxpayer's returns was used to extract a number of items of information relating to the assessment selected in the sample. These items are listed below and in the following paragraphs each item is carefully defined.

i Tax office reference number
ii Case number within each office
iii Type of case (whether sample or large)
iv Status of taxpayer (individual or trust)
v Age group of taxpayer
vi Losses brought forward
vii Year of disposal
viii Disposal number within each case
ix Category of asset
x Type of disposal
xi Proceeds of disposal
xii Chargeable gain
xiii Year of acquisition of asset

Underlying each assessment there may be one or more disposals. In fact, in the survey data there was an average of about 5 disposals per case. Some of the items of data listed above are common to the whole assessment, whilst others (items *viii* to *xiii*) are particular to each separate disposal. The way in which the data was assembled enabled analyses to be made of all disposals treated separately, but also provided the facility of identifying all disposals in any particular assessment so that data by *assessment* could be analysed. Further details of the separate items of data outlined above are described below.

i Tax Office number: a unique number was assigned to all cases from a particular tax office.

ii Case number: within each office, a unique number was assigned to each assessment: this number applied to all disposals within the assessment, thereby permitting aggregation from disposal level to assessment level.

iii Type of case: sample cases and large cases were identified, allowing separate analysis.

iv Status of taxpayer: individual taxpayers and trusts were separately identified.

v Age group: cases relating to individual taxpayers were specially marked if they (or their spouse) were known to be 65 or over in the year of disposal. (A number of the cases not so marked are likely also to be 65 or over.)

vi Losses brought forward from a previous year were noted against each case. They are allowable against the whole assessment and cannot be set against particular disposals. Cases where losses brought forward exceed gains in the year of assessment do not have assessments made, and are excluded from the survey.

vii Year of disposal: this is identical to the year of assessment (as opposed to the year in which the assessment was made: all the assessments were made in 1974 or 1975). The year is a fiscal year ending on 5 April.

viii Disposal number: each assessment comprised at least one disposal; all such disposals were numbered separately within a case.

ix Category of asset: for each disposal, the asset was classified into one of the following categories:
Company shares and securities.
Unit or investment trusts.
Land and buildings.
Trade assets.
Other assets.

x Type of disposal: the disposal of the entire holding of an asset, e.g. the sale of a complete house or of an entire holding of shares of a particular class in a particular company, was classified as a 'full disposal'. Other disposals were classified as 'part disposals'.

xi Proceeds of disposal: in most cases, when assets are sold, the proceeds are net of any expenses of sale. In cases of gifts, or where full market value is not obtained on disposal, the 'proceeds of disposal' are normally defined as the market value. In either case, the figure is that which forms the 'consideration' for the calculation of the gain or loss.

xii Chargeable gain: each disposal gave rise to a chargeable gain or allowable loss. The latter are treated simply as negative gains. In a few instances there was no loss and no gain, and these were assigned a zero value for this item. All the gains, *less* losses, *less* losses brought forward, for all the disposals in a particular case, sum to the grand total for the assessment on that particular case. The assessment was the criterion for determining whether or not the case was a 'large' one.

xiii Calendar year of acquisition of asset: there were four types of classification under this heading. The first was the straightforward case where the year of acquisition was clearly stated. The second consisted of a large group of assets where the year of acquisition was not known but where it was known that the asset had been held by the taxpayer at a particular date. This group was sub-divided into two: those cases where the 'known' date was Budget Day (6 April 1965) and all other cases. Finally, there were cases where no information at all on acquisition date was readily obtainable from the file.

Validation of the sample

It was hoped that the sample cases would be reasonably representative of all assessments made between 1 November 1974 and the time of the survey nine months later. To check how far this was so, a variety of comparisons was made between the sample data and such aggregate data as was available for the parent population of assessments. These comparisons could not be precise, because the sample was drawn from assessments made between 1 November 1974 and early August 1975, whereas aggregate data was available only for assessments made in the period of five months between 1 November 1974 and 31 March 1975, or the period of twelve months to 31 October 1975. However, aggregate data for these two overlapping periods showed differences which are very small in those respects that are relevant to the comparisons made with the sample.

First, a comparison was made of the distributions of assessments and net chargeable gains, by range of net chargeable gain, for the two fiscal years of disposal 1972/73 and 1973/74 which accounted for the bulk of the sample cases. These distributions are shown in Table A1.

Plots of the cumulative distributions of assessments and net chargeable gain by range of gain suggested, with one exception, a close correspondence between the sample and its parent population. The exception is evident in the last two columns of Table A1, where it is clear that the sample contained too few cases of disposals in fiscal year 1973/74 with net chargeable gains over £25,000. This difference may be ascribed to sampling error; there were only 3 such cases in the sample, whereas about 8 would have been required to reflect adequately the distribution of net chargeable gains in the parent population. Assessments with net chargeable gains over £25,000 were however excluded from the sample and the parent populations for the purposes of the further comparisons described overleaf.

Since the sample covers a longer time period it would be reasonable to expect that the sample would be weighted slightly towards larger gains (because larger gains tend to be more complicated or contentious and hence take longer to reach an assessment). Table A1 shows this to be true: in the aggregate distribution 44·4 per cent of all assessments exceeded £2,000 whereas in the sample distribution 50·6 per cent of assessments exceeded this amount. The two distributions (with gains over £25,000 excluded) are plotted graphically in Figure 1, from which the close similarity becomes readily apparent. The chi-squared test shows that the two distributions can be regarded as relating to the same population at a 95 per cent significance level. Table A1 and Figure 2 provide similar comparisons for the 1973/74 year of disposal, and again a close relationship is signified using the chi-squared test.

FIGURE 1

Distribution of assessed gains below £25,000 by level of gain: Disposals in 1972/73

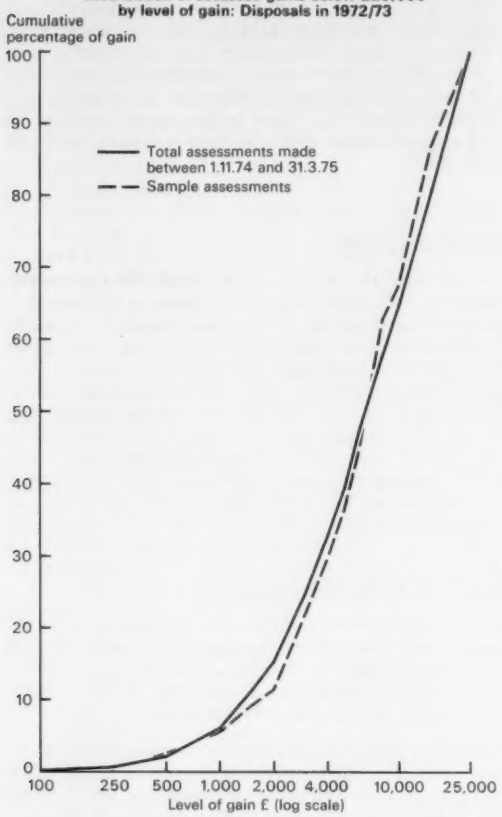
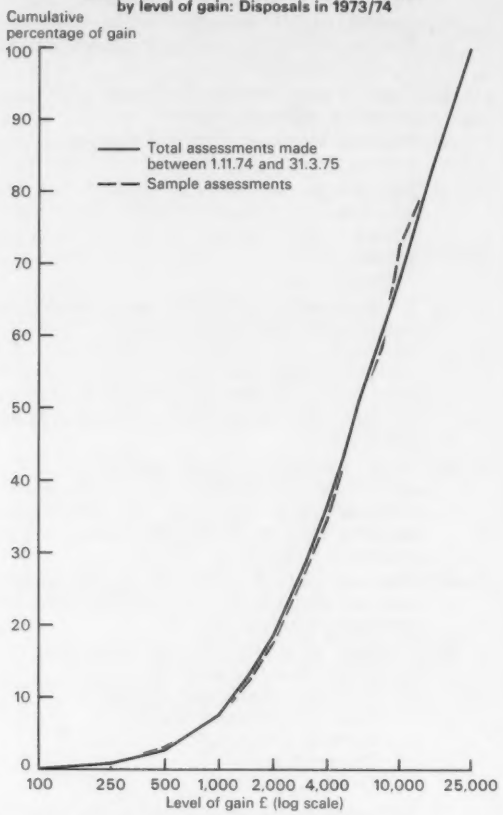


FIGURE 2

Distribution of assessed gains below £25,000 by level of gain: Disposals in 1973/74



Distribution of number of assessments and net chargeable gain, by range of net chargeable gain

TABLE A1

Percentage

Range of net chargeable gain (lower limit)	Year of disposal 1972/73				Year of disposal 1973/74			
	Number of assessments		Net chargeable gain		Number of assessments		Net chargeable gain	
£	Aggregate data[1]	Sample	Aggregate data[1]	Sample	Aggregate data[1]	Sample	Aggregate data[1]	Sample
1	3·7	2·4	—	—	5·6	5·0	0·1	0·1
100	7·3	6·5	0·2	0·2	9·9	8·1	0·4	0·5
250	10·3	14·1	0·6	0·7	12·6	15·6	1·0	1·9
500	15·8	14·1	1·7	1·5	17·0	15·9	2·6	3·6
1,000	12·0	8·8	2·1	1·5	11·1	11·2	2·8	4·3
1,500	6·7	3·5	1·7	0·8	7·2	7·3	2·6	4·0
2,000	10·8	13·5	3·8	4·6	9·9	10·4	5·0	7·8
3,000	6·5	7·1	3·3	3·4	5·8	5·5	4·2	6·0
4,000	4·3	4·7	2·8	2·9	4·0	4·7	3·7	6·6
5,000	4·2	4·7	3·2	3·6	3·3	3·9	3·6	6·5
6,000	4·3	8·2	4·2	7·6	3·3	2·9	4·7	6·1
8,000	2·5	1·8	3·1	2·3	2·1	4·2	3·8	11·6
10,000	3·9	4·7	6·4	7·9	3·1	2·3	7·5	8·1
15,000	3·2	2·4	8·2	5·9	2·3	2·3	8·9	14·3
25,000	4·7	3·5	58·8	57·0	3·1	0·8	49·1	18·7
Total	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0

[1] Aggregate data for assessments made between 1.11.74 and 31.3.75.

Distribution of number of assessments and net chargeable gain, and mean net chargeable gain, by years of disposal 1970/71–1973/74 (gains below £25,000 only)

TABLE A2

	Percentage						£		
	Numbers of assessments			Net chargeable gain			Mean net chargeable gain		
Year of disposal	Aggregate data[1]	Aggregate data[2]	Sample	Aggregate data[1]	Aggregate data[2]	Sample	Aggregate data[1]	Aggregate data[2]	Sample
1970/71	3·9	3·6	2·9	2·9	2·3	1·9	1,887	1,633	1,796
1971/72	11·9	11·3	9·1	10·2	9·4	9·5	2,193	2,135	2,948
1972/73	32·3	31·3	26·5	36·2	34·8	30·6	2,854	2,842	3,254
1973/74	52·0	53·8	61·6	50·8	53·6	58·1	2,489	2,549	2,661
Total	100·0	100·0	100·0	100·0	100·0	100·0	2,549	2,561	2,819
Observations	154,886	201,826	619						

[1] Aggregate data for assessments made between 1.11.74 and 31.3.75.
[2] Aggregate data for assessments made between 1.11.74 and 31.10.75.

Secondly, a comparison was made of the distributions of assessments and net chargeable gains, by year of disposal for the four years 1970/71–1973/74. These distributions are shown in table A2. Proportion tests, applied to the percentages in this Table, suggested some differences between the sample and its parent population that were significant at the 95 per cent confidence level for each of the two years of disposal 1972/73 and 1973/74, but the differences were not significant if the two years were combined.

Finally, the mean net chargeable gains in the sample for disposals in 1972/73 and 1973/74, as shown in table A2, were tested for equality with those of the parent populations by a variety of methods. The null hypothesis that these means were equal could not be rejected at the 95 per cent confidence level.

Broadly speaking, the lesson to be drawn from these various tests is that although there seem to be significant differences in some respects between the small systematic sample in the 1975 survey and its parent population of assessments, these differences are not large and in general the sample appears to be reasonably representative. This conclusion does not, of course, apply to the large cases and in the article the sample cases and large cases are treated separately.

ANNEX B

Survey disposals (including sub-disposals) and net gains, by type of holding period information and status of the taxpayer

TABLE B1

	Sample cases			Large cases		
	Trustees	Individuals	Total	Trustees	Individuals	Total
Type of holding period information	**Number of disposals**					
Exact holding period	210	2,525	2,735	281	1,338	1,619
Held before some date	48	693	741	67	280	347
No information	7	64	71	2	49	51
Total	265	3,282	3,547	350	1,667	2,017
	Net gains (£ thousands)					
Exact holding period	207	2,045	2,252	2,315	9,544	11,860
Held before some date	451	982	1,433	1,124	7,442	8,567
No information	8	119	127	84	4,991	5,075
Total	666	3,146	3,812	3,523	21,978	25,501

Survey disposals (including sub-disposals) and net gains, by type of holding period in information and category of asset

TABLE B2

	Sample cases						Large cases					
	Company shares and securities	Unit and investment trusts	Land and buildings	Trade assets	Other assets	Total	Company shares and securities	Unit and investment trusts	Land and buildings	Trade assets	Other assets	Total
Type of holding period information	**Number of disposals**											
Exact	2,308	109	261	31	26	2,735	1,408	43	146	6	16	1,619
Before some date	615	39	64	19	4	741	274	18	53	1	1	347
No. information	43	1	23	4	—	71	31	4	15	1	—	51
Total	2,966	149	348	54	30	3,547	1,713	65	214	8	17	2,017
	Net gains (£ thousands)											
Exact	837	56	1,271	80	8	2,252	6,005	61	5,606	121	66	11,860
Before some date	1,008	53	350	22	1	1,433	5,215	61	3,231	55	5	8,567
No. information	37	..	70	19	2	127	4,374	2	695	3	—	5,075
Total	1,881	108	1,691	121	11	3,812	15,593	125	9,532	179	72	25,501

Sample disposals (including sub-disposals) and net gains, by category of asset and holding period: cases in which the exact holding period was established

a **Individuals**

TABLE B3

	Net gains in £ thousands; number of disposals in *italics*					
Holding period (years)[1]	Company shares and securities	Unit and investment trusts	Land and buildings	Trade assets	Other assets	Total
Less than 1	26·8 *738*	— 1·0 *12*	21·4 *13*	4·0 *1*	— 1·6 *6*	49·6 *770*
1–2	11·9 *377*	2·2 *12*	175·7 *25*	12·1 *7*	3·8 *6*	205·6 *427*
2–3	70·3 *166*	9·6 *23*	104·7 *13*	8·7 *2*	—	193·3 *204*
3–4	128·4 *125*	3·9 *9*	4·5 *7*	15·2 *3*	4·1 *4*	156·0 *148*
4–5	16·1 *135*	3·0 *7*	23·2 *13*	6·2 *2*	1·2 *2*	49·7 *159*
5–6	75·0 *104*	2·3 *8*	70·5 *21*	—	—	147·8 *133*
6–7	101·1 *85*	7·9 *7*	391·8 *16*	4·7 *3*	—	505·4 *111*
7–8	79·4 *91*	8·0 *7*	24·9 *9*	1·5 *1*	— 0·5 *1*	113·2 *109*
8–9	19·8 *51*	1·7 *4*	33·0 *11*	—	—	54·5 *66*
9–10	31·1 *53*	0·9 *3*	55·2 *14*	1·4 *2*	—	88·5 *72*
10–11	35·8 *62*	0·4 *2*	20·2 *6*	—	—	56·5 *70*
11–12	12·0 *22*	—	21·4 *10*	7·1 *2*	—	40·5 *34*
12–13	18·3 *25*	—	45·0 *9*	2·3 *2*	— 0·5 *1*	65·1 *36*
13–14	3·1 *16*	0·5 *1*	6·8 *4*	—	—	10·4 *21*
14–15	1·9 *10*	0·5 *1*	47·5 *7*	2·0 *2*	—	51·9 *20*
15–20	23·8 *23*	9·5 *4*	53·4 *18*	5·8 *3*	1·7 *5*	94·2 *53*
20–25	12·5 *11*	—	66·5 *22*	—	—	79·0 *33*
25–50	26·0 *24*	—	48·9 *31*	8·9 *1*	0·2 *1*	84·0 *57*
Over 50	— *1*	— 0·3 *1*	—	—	—	—0·2 *2*
Total	693·3 *2119*	48·8 *101*	1214·6 *248*	79·9 *31*	8·3 *26*	2044·9 *2525*

b **Trustees**

	Net gains in £ thousands; number of disposals in *italics*					
Holding period (years)[1]	Company shares and securities	Unit and investment trusts	Land and buildings	Trade assets	Other assets	Total
Less than 1	—6·0 *9*	0·2 *2*	—	—	—	—5·9 *11*
1–2	4·1 *13*	3·5 *1*	—	—	—	7·6 *14*
2–3	2·0 *21*	—	—	—	—	2·0 *21*
3–4	9·9 *15*	—	7·6 *1*	—	—	17·4 *16*
4–5	0·2 *4*	0·4 *2*	—	—	—	0·7 *6*
5–6	4·1 *22*	—	29·9 *1*	—	—	33·9 *23*
6–7	1·2 *27*	0·9 *2*	—	—	—	2·1 *29*
7–8	5·5 *33*	—	—	—	—	5·5 *33*
8–9	0·7 *4*	—	2·9 *1*	—	—	3·6 *5*
9–10	0·8 *6*	—	2·2 *1*	—	—	3·1 *7*
10–11	— *1*	—	—	—	—	— *1*
11–12	11·6 *2*	—	3·9 *1*	—	—	15·5 *3*
12–13	—	—	3·6 *1*	—	—	3·6 *1*
13–14	—	—	—	—	—	—
14–15	—	—	—	—	—	—
15–20	25·4 *24*	1·8 *1*	1·0 *3*	—	—	28·3 *28*
20–25	83·7 *6*	—	—	—	—	83·7 *6*
25–50	0·8 *2*	—	0·5 *3*	—	—	1·4 *5*
Over 50	—	—	5·0 *1*	—	—	5·0 *1*
Total	143·9 *189*	6·8 *8*	56·6 *13*	—	—	207·4 *210*

[1] This classification is not precise. In the survey, disposals were recorded by fiscal year, whereas acquisitions were recorded by calendar year. An asset acquired in 1972 which was disposed of in 1973/74, for example, is shown as having been held for 1–2 years, whereas the precise holding period might have been anywhere between 3 months and 2 years 3 months.

Sample disposals (including sub-disposals) and net gains, by category of asset and holding period: cases in which a minimum holding period only was established

a **Individuals**

TABLE B4

Minimum holding period (years)[1]	Net gains in £ thousands; number of disposals in *italics*					
	Company shares and securities	Unit and investment trusts	Land and buildings	Trade assets	Other assets	Total
Less than 1	—	—	—	—	—	—
1–2	12·3 *6*	— *1*	—	—	—	12·3 *7*
2–3	1·4 *1*	—	3·8 *2*	—	—	5·2 *3*
3–4	2·9 *2*	2·2 *1*	11·6 *4*	—	—	16·7 *7*
4–5	3·8 *8*	—	—	5·0 *1*	0·1 *1*	8·9 *10*
5–6	2·1 *7*	−0·5 *3*	6·6 *2*	1·2 *1*	—	9·3 *13*
6–7	14·1 *50*	1·8 *5*	163·6 *7*	—	—	179·5 *62*
7–8	267·7 *172*	29·7 *11*	57·4 *22*	2,8 *3*	— *2*	357·6 *210*
8–9	243·4 *305*	19·6 *18*	57·2 *15*	3·1 *12*	—	323·4 *350*
9–10	5·0 *11*	—	2·4 *2*	—	—	7·5 *13*
10–11	1·3 *1*	—	6·2 *2*	—	—	7·4 *3*
11–12	—	—	2·6 *1*	7·0 *1*	—	9·6 *2*
12–13	1·3 *1*	—	4·4 *2*	—	—	5·7 *3*
13–14	2·2 *3*	—	—	—	—	2·2 *3*
14–15	—	—	—	—	—	—
15–20	— *1*	—	0·2 *1*	—	—	0·2 *2*
20–25	—	—	—	3·0 *1*	—	3·0 *1*
25–50	—	—	33·7 *4*	—	—	33·7 *4*
Over 50	—	—	—	—	—	—
Total	557·3 *568*	52·9 *39*	349·8 *64*	22·1 *19*	0·1 *3*	982·2 *693*

b ***Trustees***

Minimum holding period (years)[1]	Net gains in £ thousands; number of disposals in *italics*					
	Company shares and securities	Unit and investment trusts	Land and buildings	Trade assets	Other assets	Total
Less than 1	—	—	—	—	—	—
1–2	—	—	—	—	—	—
2–3	—	—	—	—	—	—
3–4	0·8 *4*	—	—	—	—	0·8 *4*
4–5	1·0 *3*	—	—	—	—	1·0 *3*
5–6	—	—	—	—	—	—
6–7	402·0 *2*	—	—	—	—	402·0 *2*
7–8	9·7 *9*	—	—	—	—	9·7 *9*
8–9	33·0 *25*	—	—	—	0·5 *1*	33·4 *26*
9–10	1·2 *3*	—	—	—	—	1·2 *3*
10–11	—	—	—	—	—	—
11–12	—	—	—	—	—	—
12–13	—	—	—	—	—	—
13–14	—	—	—	—	—	—
14–15	—	—	—	—	—	—
15–20	2·7 *1*	—	—	—	—	2·7 *1*
20–25	—	—	—	—	—	—
25–50	—	—	—	—	—	—
Over 50	—	—	—	—	—	—
Total	450·2 *47*	—	—	—	0·5 *1*	450·7 *48*

[1] This classification is not precise. In the survey, disposals were recorded by fiscal year, whereas acquisitions were recorded by calendar year. An asset acquired in 1972 which was disposed of in 1973/74, for example, is shown as having been held for 1–2 years, whereas the precise holding period might have been anywhere between 3 months and 2 years 3 months.

ANNEX C

TECHNICAL NOTES ON CAPITAL GAINS TAX

These notes apply to the provisions of capital gains tax prior to the changes introduced by Finance Act 1978.

The Finance Act 1965 provided for the taxation of capital gains (excluding, until 1971, short-term gains which were during that period charged to income tax under Case VII of Schedule D) accruing on the disposal of assets after 6 April 1965. When they accrue to individuals or to certain other unincorporated persons, such gains are chargeable to capital gains tax. When they accrue to companies, they are chargeable to corporation tax.

Individuals and trustees who are domiciled and either resident or ordinarily resident in the United Kingdom are liable to tax in respect of gains which accrue on the disposal of chargeable assets wherever situated. An individual who is either resident or ordinarily resident in the United Kingdom but who is not domiciled there is liable in respect of gains accruing on the disposal of assets situated abroad only to the extent that the gains are remitted to the United Kingdom. Persons who are neither resident nor ordinarily resident in the United Kingdom but who carry on a trade in the United Kingdom through a branch or agency are nevertheless liable on gains which accrue to them from the disposal of assets situated in the United Kingdom which are used for the purposes of that trade or branch or agency. Certain persons resident in the United Kingdom are exempt from the tax in whole or in part; they include local authorities, approved superannuation funds, friendly societies, registered trade unions, and other persons who qualify for exemption from income tax.

Capital gains tax is chargeable on gains accruing on the disposal of assets. Disposal includes sale, exchange and gift and generally any occasion when the owner of an asset derives a capital sum from it. Until 1971, assets were deemed to have been disposed of at their owner's death (the first £5,000 of any gains being exempt from tax), and there are notional disposals in certain circumstances, e.g. on the part of trustees on the termination of a life interest.

Assets include all forms of property, or interests or rights in or over property. The main exemptions from capital gains tax relate to the disposal of a principal private residence which has been occupied as such, together with not more than one residence similarly occupied by a dependent relative; tangible moveable property worth £1,000 or less; normal life assurance policies on surrender or maturity; British Government securities and certain government-guaranteed securities (provided they have not been held for less than a year; before 1971 this proviso did not exist), savings certificates, premium bonds, defence bonds, national development bonds, British Savings bonds and Save-as-you-earn deposits; private motor cars; important works of art and other objects of national, scientific, historic or artistic interest (subject to certain undertakings by the beneficiary); gifts and bequests of land and buildings to the National Trust and similar bodies; and gifts of assets which would otherwise be chargeable provided that their value does not exceed £100 in one year. From 1972 gifts to charities were exempted from the tax.

Other exemptions and reliefs relate to gains on the disposal of a business by sale or gift by an owner aged 60 or more, and on the sale of certain business assets when the proceeds are reinvested in comparable business assets. There is a special relief on the disposal of units in authorised unit trust schemes and shares in approved investment trust companies. In 1975 a relief was introduced for gains in certain agricultural property by which the value of the property was notionally reduced for the purpose of computing any gain.

The Finance Act 1974 taxed as income certain development gains arising on the disposal after 17 December 1973 of land or an interest in land in the United Kingdom. First letting or occupation, after 17 December 1973, following material development of a non-residential building also became a new occasion for a charge to capital gains tax and where appropriate to the tax on development gains. The charges are collected via income tax (Case VI of Schedule D), corporation tax and capital gains tax. Development land tax replaced the arrangements for the charge on development gains from 1 August 1976 and the first letting charge was abolished from 18 May 1976.

Assessments on persons other than companies (where the normal corporation tax basis of assessment applies) are made for a year of assessment beginning on 6 April (as for income tax) on net gains, *viz* chargeable gains *less* allowable losses. Capital gains tax is normally chargeable at a flat rate of 30 per cent on net gains, but, if it was to an individual's advantage, he was (until 1976/77) charged on an alternative basis under which tax is charged as if the amount of gains *less* one-half of the net gains up to £5,000 were added to his total income for the year and assessed to income tax, including higher rate tax and the investment income surcharge where appropriate. The alternative basis does not, in general, apply to the chargeable gains of trustees of settled property. Tax may be paid by instalments over eight years in case of certain assets which are the subject of a gift or a notional disposal by trustees. From 1967 to 1971 individuals' gains below £50 were exempt, and from 1970-71 to 1974–75 individuals' gains were exempt if the aggregate disposals in the year did not exceed £500; there was an abatement for slightly larger disposals. From 1975–76 the limit was revised to £1,000.

In general, gains are computed as the difference between the cost of acquisition (together with expenses of acquisition and disposal and certain other allowable expenditure) and the consideration received for the disposal (or market value at date of disposal if the transaction is not at arm's length). Any amount charged to or taken into account as a receipt in calculating income tax or corporation tax is excluded from the consideration. Losses are usually allowable if a gain on the same transaction would have been chargeable; they are set primarily against any gains accruing in the same year and any net losses for a year may be carried forward without time limit and set against gains of later years.

Capital gains are only chargeable in so far as they are attributable to the period after 6 April 1965. In the case of assets held at that date and disposed of subsequently, there are rules by which the appropriate proportion of any gain or loss is determined, either by reference to market value at

6 April 1965 (but not so as to exceed the gain or loss accruing over the whole period of ownership of the asset) or by a process of time apportionment under which the gain is treated as spread evenly over the whole period of ownership. The former method is compulsory in the case of quoted shares and land with development value.

There are detailed special rules on the application of the tax in particular circumstances e.g. bonus and rights issues, options, company reorganisations and mergers, trusts and wasting assets (including short leases).

This annex is intended to provide a technical background to the subject matter of the paper. It is not exhaustive, nor does it relate fully to the law as it stands at present. A more comprehensive description of capital gains tax may be found in the booklet CGT8 available free from any office of HM Inspector of Taxes. There are also a number of pamphlets available from tax offices which describe particular aspects of the tax – these are listed in Appendix C of *Inland Revenue Statistics 1979* (HMSO) which also contains a number of tabulations relating to aggregate CGT assessments.

Round-up: what's new in economic statistics

Sector analysis of employment

Estimates of employment analysed by sector at mid-1978 are now available and are given below. These estimates bring forward to 1978 the main aggregates published in the article 'Employment analysed by sector and industry, 1972-77' in *Economic Trends* No. 303, January 1979. As explained in that article, the sectors used for the analysis are the same as in the national accounts.

Employment[1] analysed by sector

	United Kingdom: thousands Mid-1977 (revised)	Mid-1978 (provisional)
Private sector[2]	17,485	17,545
Public corporations	2,089	2 061
Central government		
HM Forces	327	318
Civilians	1,978	1,991
Local authorities	2,999	3,013
Total employed labour force	24,878	24,928

[1] Part-time employees are counted as one person.
[2] Including self-employed persons (with or without employees).

Estimates of these aggregates for the eleven years 1968-78 will be published in September in the Blue Book, *National Income and Expenditure 1968-78*. A cross-analysis by industry, updating the January 1979 article will be published later in *Economic Trends*.

Company profits

A company's level of profits not only reflects its trading success but also represents the principal source of internal funds to undertake the investment needed to replace and increase stock and fixed capital assets and thus finance its expansion. The profitability of industrial and commercial companies as a whole has obvious implications for the prosperity of the country creating increased opportunities for employment, greater output and higher living standards.

An article in the July issue of *Economic Progress Report* explains how profits are allocated, and how they are used. It also describes the steps already taken by the new Government to improve them.

VAT—some international comparisons

A single rate of value added tax at 15 per cent was announced in The Budget on 15th June 1979. The table compares this new rate and the pre-Budget rates of UK VAT with the rates of value added tax currently operating in each of the other EEC member states. Also shown is the average effective rate for 1976 (the most recent year for which figures are available). This information is taken from the July *Economic Progress Report*.

VAT: Current rates and average effective rates in EEC member states

	Percent				
	Current rates[1] (at 1.7.79)				Average effective rates[2] (as in 1976)
Belgium	6	16	25		11·5
Denmark	20¼				13·6
France	7	17·6	33⅓		14·9
West Germany	6½	13			9·4
Ireland	0	10	20	35	9·1
Italy	6	14	18	35	7·7
Luxembourg	5	10			8·9
Netherlands	4	18			12·1
UK pre-Budget	0	8	12½		5·2
UK wef 18.6.79	0	15			8·0

[1] The table excludes certain temporary rates and rates with minimal coverage. Standard rates are underlined.
[2] Average VAT rate for 1976 over all consumers' expenditure (source: *OECD Revenue Statistics* (1978) and *OECD National Accounts* (1976)).

NB. In many member States VAT rates have changed since 1976 so these figures are *not strictly comparable* with those in left hand columns nor is the UK figure wef 18.6.79 strictly comparable with those above it.

Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Page	*Source*	*Further statistics*
Average earnings (see Earnings)			
Balance of payments		Central Statistical Office	Financial Statistics; Quarterly articles in Economic Trends
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Banking		Bank of England	Financial Statistics
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Eligible liabilities, reserve ratio, special deposits and supplementary deposits	64		
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Average prices of new dwellings on mortgage (see Housing)			
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Recommended share rate (see Interest rates)			
Car registrations and production (see Motor vehicles)			
CBI Intentions Inquiry (see Fixed investment)			
Coal (see Fuel and power)			
Commercial vehicles, production (see Motor vehicles)			
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Financial companies			
Financial account, net acquisition of financial assets	58		
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In relation to total final expenditure	14		
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Investment Intentions Inquiry	18		
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Visible trade (see also Exports; Imports)	5,44,48	Central Statistical Office; Department of Trade	Monthly Digest of Statistics; Trade and Industry
Wage rates, basic weekly	40	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wages and salaries			
In relation to personal income before tax	10	Central Statistical Office	Monthly Digest of Statistics
Per unit of output	40	Central Statistical Office; Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wholesale prices index (see Prices)			
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